



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF
WATER

MEMORANDUM

SUBJECT: Award of Grants and Cooperative Agreements for the Special Projects and Programs Authorized by the Agency's FY 2003 Appropriations Act

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TO: Water Management Division Directors
Regions I - X

PURPOSE

This memorandum provides information and guidelines on how the Environmental Protection Agency (EPA) will award and administer grants and cooperative agreements for the special projects and programs identified in the State and Tribal Assistance Grants (STAG) account of the Agency's fiscal year (FY) 2003 Appropriations Act.

BACKGROUND

The EPA section of the Consolidated Appropriations Resolution, 2003, (P. L. 108-7), hereafter referred to as the Agency's FY 2003 Appropriations Act, included \$314,887,000 in the STAG account for 486 water, wastewater and groundwater infrastructure projects and for the Long Island Sound Restoration Program. Also included as separate line items in the STAG account were: \$8,225,000 for six alternative decentralized wastewater treatment facilities under the National Decentralized Wastewater Treatment Demonstration Program, \$50,000,000 for the United States-Mexico Border Program and \$43,000,000 for the Alaska Rural and Native Villages Program. The FY 2003 Appropriations Act also contained a government-wide rescission of 0.65 percent. The rescission applies to all of the funds included in the STAG account.

The specific requirements governing the award of the special projects and programs are contained in the following documents: the Consolidated Appropriations Resolution, 2003, the Conference Report (H. Rept. No. 108-10), the House Report (H. Rept. No. 107-740), and the Senate Report (S. Rept. No. 107-222). The specific requirements contained in these documents have been incorporated into this memorandum.

THREE PERCENT SET-ASIDE

The Agency's FY 2001 Appropriations Act (P. L. 106-377) included a provision stating that the Administrator may use up to three percent of the amount appropriated for each earmark to administer the management and oversight of construction of those projects. The set-aside monies can only be used to fund State, Corps of Engineer and contractor support for the management and oversight of the special projects. This means that the set-aside monies cannot be used to pay for EPA staff or travel expenses. EPA issued a formal policy memorandum on September 27, 2001, that provides information and guidelines on how the Agency will implement the three percent set-aside provision.¹

The three percent set-aside provision is permanent statutory authority which means it also applies to all post-FY 2001 STAG projects including the projects included in the STAG account of this year's Appropriations Act and the six decentralized wastewater treatment demonstration projects.² However, the three percent set-aside provision does not apply to funds appropriated for specific programs, such as the Long Island Sound Restoration Program, the United States-Mexico Border Program and the Alaska Rural and Native Villages Program.

PROJECTS

The Conference Report that accompanied the Agency's FY 2003 Appropriations Act identified two projects funded from monies appropriated for the United States-Mexico Border Program. These two projects and the six decentralized wastewater treatment demonstration projects will be awarded and administered within the guidelines and provisions contained in this memorandum.

Attachment 1 identifies the 494 special projects, the original amount appropriated for each project, and the actual amount available for grant award after the reduction due to the 0.65 percent rescission and three percent set-aside provision.³

With the exception of the six decentralized wastewater treatment demonstration projects, which will be awarded and administered from Headquarters, the special projects identified in Attachment 1 will be awarded and administered by the Regional Offices. The delegation of authority (1200 TN 516), issued on September 28, 2000 (Attachment 2), is listed in Chapter 1,

¹This document is available on the internet at www.epa.gov/owm/mab/owm0318.pdf.

²The application of the three percent set-aside provision to the decentralized wastewater treatment demonstration projects is under review by the Office of General Counsel.

³States that choose to perform all of the necessary construction oversight activities for the planning, design and building phases of a project at their own expense may request to have the three percent set-aside funds assigned to the respective grant recipients within their States. Headquarters will transfer the necessary funds to the Regions for this purpose after the formal review and approval of the State's request.

Delegation Number 1-102, of EPA's Delegation Manual. This delegation of authority transferred the authority to award grants and cooperative agreements for funds included in the STAG account to the Assistant Administrator for Water and the Regional Administrators. Accordingly, the Regions and Headquarters have the necessary authority, effective the date of this memorandum, to award grants and cooperative agreements for the special projects and programs identified in the STAG account of the FY 2003 Appropriations Act.

COST-SHARE REQUIREMENT

The Conference Report (H. Rep. No. 108-10, at p. 1450) states that:

The conferees agree that \$314,887,000 is provided for cost-shared grants to communities or other governmental entities for construction of water and wastewater treatment facilities and infrastructure and for groundwater protection infrastructure. Each such grant shall be accompanied by a cost-share requirement whereby, *regardless of the amount provided herein for each grant (emphasis added)*, 45 percent of a project's cost is to be the responsibility of the community or entity consistent with long-standing guidelines of the Agency. These guidelines also offer flexibility in the application of the cost-share requirement for those few circumstances when meeting the 45 percent requirement is not financially possible. The Agency is commended for its past efforts in working with communities and other entities to resolve problems in this regard, and it is expected that this high level of effort and flexibility will continue throughout fiscal year 2003.

The language highlighted above is new. It was not included in the legislative history of previous Appropriations Acts. The inclusion of this language means that the Agency can only approve waivers to the 45 percent matching requirement that are based on financial capability issues.

In past years, the Agency approved waivers to the matching requirement in order to obligate all of the funds appropriated for a special Appropriations Act project in accordance with the project description contained in the Conference Report. However, the language contained in the FY 2003 Conference Report no longer allows waivers based on this rationale. Accordingly, our policy for the projects listed in Attachment 1 is that grant applicants will be expected to pay for 45 percent of the project costs unless there is specific language in the Conference Report or Appropriations Act that specifies a different matching requirement or a waiver to the matching requirement is approved based on financial capability issues.

Furthermore, in those situations where the description in the Conference Report explicitly defines the scope of work of the project, the Federal share of the grant will be limited to 55 percent of the estimated cost for completing the scope of work described, regardless of the amount appropriated for the project, unless a waiver to the matching requirement is approved based on financial capability issues. This means, in some instances, that the grant amount will be

less than the amount appropriated for the project and that some funds will not be obligated. The disposition of any such unobligated grant funds will be determined by Congress.

WAIVERS TO THE MATCHING REQUIREMENT

In March 1997, EPA published *Combined Sewer Overflows -- Guidance for Financial Capability Assessment and Schedule Development*.⁴ This financial guidance document includes a process for measuring the financial impact of current and proposed wastewater treatment facilities and drinking water facilities on the users of those facilities, and establishes a procedure for assessing financial capability. The process for assessing financial capability contained in that document is based on EPA's extensive experience in the construction grants, State Revolving Fund (SRF), enforcement and water quality standards programs. The assessment process requires the calculation of a financial capability indicator. The Agency approves waivers in those cases where the financial capability indicator shows that the project would result in a high financial burden on the users of the facility.

Exceptions to the 45 percent match requirement must be approved by EPA Headquarters. All requests for an exception should be prepared by the EPA Regional Offices using information provided by the grant applicant. The request must include the information contained in Chapters III and IV of the Financial Capability Assessment guidance document.⁵ The requests, including the necessary supporting documentation and appropriate background material, should be submitted to the Director, Office of Wastewater Management, (Mail Code 4201M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460.

FEDERAL FUNDS AS A SOURCE OF MATCHING FUNDS

Federal funds from other programs may be used as all or part of the match for the special projects only if the statute authorizing those programs specifically allows the funds to be used as a match for other Federal grants. Additionally, the other Federal programs must allow their appropriated funds to be used for the planning, design and/or construction of water, wastewater or groundwater infrastructure projects. Listed below are the major Federal programs whose grant or loan funds can be used to provide all or part of the match for the special projects:

Department of Agriculture, Rural Development program,

Department of Housing and Urban Development, Community Development Block Grant program,

⁴This document is available on the internet at www.epa.gov/owm/pdfs/csofc.pdf.

⁵All of the financial data used to calculate the financial capability indicator must be indexed to the same year. The Bureau of Labor Statistics' web site (www.bls.gov/cpi/) contains an "Inflation Calculator" that will automatically perform this function.

Department of Commerce, Economic Development program, and

Appalachian Regional Commission grants.

As previously stated, Federal funds may be used as all or part of the match for other Federal grant programs only if the authorizing legislation includes such authority. Since the FY 2003 Appropriations Act does not include such language, the special Appropriations Act grant funds cannot be used as a source of matching funds for other Federal programs.

LOANS FROM A STATE REVOLVING FUND AS A SOURCE OF MATCHING FUNDS

The Agency manages two separate State Revolving Fund (SRF) loan programs, the Clean Water State Revolving Fund (CWSRF) program and the Drinking Water State Revolving Fund (DWSRF) program. The Agency has taken actions that allow particular sources of funds from the two SRF programs to be used as a source of the local match. Specifically, the Agency issued the following two documents:

A class deviation from the regulatory provisions of 40 CFR 35.3125(b)(1). The class deviation (Attachment 3), issued August 16, 2001, pertains to the CWSRF program.

A policy memorandum designated as DWSRF 02-01. The policy memorandum (Attachment 4), issued October 10, 2001, pertains to the DWSRF program.

The class deviation and policy document listed above allow State SRF programs to use the non-Federal and non-State match share of SRF funds to provide loans that can be used as the match for the special projects. The non-Federal funds include repayments, interest earnings and bond proceeds.⁶ The non-State match share (i.e., the overmatch) is any State contribution to the SRF above the statutorily required 20 percent match.

The use of a loan from an SRF to provide part or all of the match for a special project is a State SRF program agency decision. However, the action must be consistent with established State policy, guidelines and procedures governing the use of SRF loans. Projects that receive SRF assistance must also adhere to Federal CWSRF or DWSRF program requirements relating to eligibility and prioritization.

PRE-AWARD COSTS

The Grants Administration Division (GAD) issued a policy memorandum (GPI 00-02) on March 30, 2000, that applies to all grants, including special Appropriations Act projects awarded

⁶There is one unusual, and highly complex situation where bond proceeds cannot be used as a source of the match for the special projects. The situation involves the leveraging of funds on a one-to-one basis. The States can contact the appropriate Regional SRF coordinator for further information about this issue.

on or after April 1, 2000. Additionally, a clarification to the policy memorandum was issued by GAD on May 3, 2000. The GAD policy memorandum revised the Agency's interpretation of a provision contained in the general grant regulations at 40 CFR 31.23(a) concerning the approval of pre-award costs.

In essence, the GAD memorandums state that:

“Recipients may incur pre-award costs [up to] 90 calendar days prior to award provided they include such costs in their application, the costs meet the definition of pre-award costs and are approved by the EPA Project Officer and EPA Award Official.”

The award official can approve pre-award costs incurred more than 90 calendar days prior to grant award, in appropriate circumstances, if the pre-award costs are in conformance with the requirements set forth in OMB Circular A-87 and with applicable Agency regulations, policies and guidelines.

Since 1995, EPA Headquarters (in accordance with established OMB and Agency procedures) have approved pre-award costs for more than 50 special Appropriations Act projects in the following two situations:

The pre-award costs were incurred after the start of the fiscal year for which the funds were appropriated but before grant award; and/or,

The pre-award costs were for facilities planning or design work associated with the construction portion of the project for which the grant was awarded.

The GAD memorandums state that the award official can approve pre-award costs incurred prior to grant award in appropriate situations if the approval of the pre-award costs is consistent with the intent of the requirements for pre-award costs set forth in OMB Circular A-87 and are in conformance with Agency regulations, policies and guidelines. The above two situations meet these requirements. Accordingly, effective April 1, 2000, the Regions have the authority to approve pre-award costs for the two situations described above. Any approval, of course, is contingent on the Regional Office determination that the pre-award costs in question are in conformance with the applicable Federal laws, regulations and executive orders that govern EPA grant awards and are allowable, reasonable and allocable to the project.

The Regions should not approve any pre-award costs for special Appropriations Act projects, other than those that involve the two situations discussed above, without written approval from Headquarters. The request, with sufficient supporting documentation, should be submitted to the Director, Office of Wastewater Management, (Mail Code 4201M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460. The Office of Wastewater Management will consult, in appropriate circumstances, with the Grants Administration Division

and the Office of General Counsel. If appropriate, a deviation from 40 CFR 31.23(a) will be processed and issued.

LAWS, REGULATIONS AND REQUIREMENTS

A listing of the Federal Laws and Executive Orders that apply to all EPA grants, including the projects authorized by the Agency's FY 2003 Appropriations Act, is contained in Attachment 5.⁷ A more detailed description of the Federal laws, Executive Orders, OMB Circulars and their implementing regulations is contained in Module No. 2 of the EPA Assistance Project Officers Training Course which is available through the Regional Grants Management Offices.

The regulations at 40 CFR Part 31 apply to grants and cooperative agreements awarded to State and local (including tribal) governments. The regulations at 40 CFR Part 30 apply to grants with nonprofit organizations and with non-governmental for profit entities. In appropriate circumstances, such as grants for demonstration projects, the research and demonstration grant regulations at 40 CFR Part 40 can be used to supplement either 40 CFR Part 30 or Part 31.

The Agency issued a memorandum (Attachment 6) in January 1995, concerning the applicability of 40 CFR Part 29 (Intergovernmental Review) to the special projects authorized by the Agency's FY 1995 Appropriations Act. That memorandum also applies to the special projects authorized by the Agency's FY 2003 Appropriations Act.

The Davis-Bacon Act does not apply to grants awarded under the authority of the Agency's FY 2003 Appropriations Act because the Act contained no language making it apply. However, if FY 2003 funds are used to supplement funding of a construction contract that includes Clean Water Act title II requirements (e.g., contracts awarded under the construction grants or coastal cities programs), the entire contract is subject to Davis-Bacon Act requirements, including the portion funded with FY 2003 funds.

SPECIFIC ENVIRONMENTAL REQUIREMENTS

The National Environmental Policy Act (NEPA) and other relevant applicable statutes and Executive Orders, such as the Endangered Species Act (ESA), apply to the special projects authorized by the Agency's FY 2003 Appropriations Act. The applicable NEPA regulations are the Council of Environmental Quality's implementing regulations at 40 CFR Parts 1500-1508 and EPA's NEPA regulations at 40 CFR Part 6, Subparts A-D.

The Agency issued a memorandum (Attachment 7) on January 20, 1995, concerning NEPA compliance for the special projects authorized by the Agency's FY 1995 Appropriations

⁷ The Office of General Counsel is in the process of updating this list. The revised listing will be distributed as soon as this activity is completed.

Act. That memorandum also applies to the special projects authorized by the Agency's FY 2003 Appropriations Act.

The development of information needed to determine compliance with NEPA and other cross-cutting Federal requirements is an allowable cost that can, and should, be included in the scope of work of the grant if not performed prior to grant award. These activities can be funded on an incremental basis, by awarding a grant that only includes these activities, or as part of the entire project (i.e., planning, design and construction) with the stipulation, in the form of a grant condition, stating that EPA will not approve or fund any work beyond the conceptual design point⁸ until the applicable requirements of such authorities have been met. Attachment 8 contains a model grant condition that should be used in this situation.

It should be noted that NEPA and other cross-cutting Federal requirements that apply to the major Federal action (i.e., the approval and/or funding of work beyond the conceptual design point) cannot be delegated. Although EPA can fund the grantee or state/tribal development of an Environmental Information Document (EID) or other analysis to provide supporting information, EPA has the legal obligation to issue the NEPA documents, to sign NEPA determinations, and to fulfill other cross-cutting Federal requirements before approving or funding design and/or construction.

When both EPA and another Federal agency are funding the same project, the agencies may negotiate an agreement for one to be the lead agency for performing grant oversight and management activities, including those related to NEPA and other cross-cutting Federal requirements. The lead agency can be the one who is providing the most funds for the project, or the agency that provided the initial funds for the project. If an environmental impact statement (EIS) is required, EPA should be a cooperating agency so that it can adopt the EIS without recirculating it. If the project requires an environmental assessment (EA), EPA may use the other agency's EA as a basis for its finding of no significant impact (FONSI), provided EPA has independently reviewed the EA and agrees with the analysis. Note that EPA may not use a categorical exclusion of another Federal agency unless EPA's regulations at 40 CFR Part 6 also provide for the categorical exclusion.

OPERATING GUIDELINES

The authority for awarding grants for the special projects listed in Attachment 1 and the United States-Mexico Border Program is the Consolidated Appropriations Resolution, 2003 (P. L. 108-7). The authority for awarding grants for the Alaska Rural and Native Villages Program is section 303 of the Safe Drinking Water Act Amendments of 1996 (P. L. 104-182). The authority for awarding grants for the Long Island Sound Restoration Program is section 119

⁸Completion of conceptual design is essentially the same as completion of facility planning as defined in EPA's Construction Grants program.

of the Clean Water Act as amended by title IV of the Estuaries and Clean Waters Act of 2000 (P. L. 106-457).

The Catalog of Federal Domestic Assistance (CFDA) number for the special Appropriations Act projects is 66.606 "Special Purpose" and the Grants Information and Control System (GICS) code for the special projects is XP. The Object Class Code (budget and accounting information) for the special projects is 41.83. Applicants should use Standard Form 424 to apply for the grants.

Grants to Nonprofit Organizations

Funds appropriated under the STAG account can, if the situation warrants, be used for grants to nonprofit organizations. However, grants cannot be awarded to a nonprofit organization classified by the Internal Revenue Service as a §501(c)(4) organization unless that organization certifies that it will not engage in lobbying activities, even with their own funds (see P. L. 104-65 -- Lobbying Disclosure Act of 1995). The rationale for any award to a nonprofit organization should be clearly explained, suitably documented, and included in the project file.

Grants to Private For-Profit Entities

Funds appropriated under the STAG account may be used for grants to private for-profit entities, such as a privately owned drinking water company, when the language contained in the Conference Report clearly indicates that intention. To date, no special Appropriations Act projects have been awarded to a private for-profit entity. Accordingly, the Regional Offices should work with their Headquarters counterparts to determine the procedures and requirements that are applicable in this situation.

Grant Recipient

The intended recipient of the grant funds listed in Attachment 1 can, in the appropriate circumstances, refer to any of the following: a governmental or non-profit entity, a non-governmental for profit entity, the geographical area where the project will be located, the geographical area that will benefit from the project, or the name of the project. For example, if the earmark designation is a county, the funds could, in certain circumstances and with the consent of the county, be awarded to a governmental entity or entities within the county. In any such situation, the intended recipients, and the amount each are to receive, should be confirmed by the sponsoring congressperson or senator.

Ownership Requirements

With the exception of small, on-site/decentralized wastewater treatment systems, which are discussed later in this section, only wastewater and drinking water infrastructure facilities that are or will be owned by the grant or subgrant recipient are eligible for grant funding. This means

that house laterals (the sewer line from the collection system to the house) and drinking water service lines (the line from the drinking water distribution system to the house) must be owned by the grantee or subgrantee in order for these facilities to be eligible for grant funding. The ownership requirement applies to new construction, as well as the rehabilitation of existing facilities, and to infiltration/inflow correction associated with existing sewer lines, including house laterals. The grantee or subgrantee can have ownership by either fee simple title, or by the issuance of an enforceable easement with right of access. Since the grantee or subgrantee has ownership of these facilities, the grantee or subgrantee would be responsible for the operations and maintenance of those facilities for the life of those facilities. Additionally, the grantee or subgrantee could not transfer ownership of the facilities to any entity without written approval from EPA.

In those rare situations where a grant or subgrant is awarded to a governmental or nonprofit entity that does not have the legal authority to own or operate drinking water, wastewater, or groundwater protection infrastructure facilities, and the grant includes the construction or acquisition of infrastructure facilities, that entity can transfer ownership of the grant funded infrastructure facilities with the approval of EPA. In all cases, the receiving entity must have the managerial and legal capability to assume all of the relevant responsibilities associated with the ownership of an EPA grant funded infrastructure facility, including any special conditions contained in the original grant agreement. Generally, EPA's approval to transfer ownership should be incorporated into the grant award document in the form of a special term and condition.

On-Site Systems

For small, privately-owned, on-site/decentralized wastewater treatment systems, such as a septic system, an eligible applicant may apply for a grant to build or renovate these privately-owned systems. In such cases the applicant must:

demonstrate that the total cost and environmental impact of building the decentralized system will be less than the cost of a conventional system,

certify that ownership by a public entity or a suitable non-profit organization (such as a home owners' association or cooperative) is not feasible and list the reasons,

certify that the treatment facilities will be properly operated and maintained for the life of the facilities, and

provide assurance of access to the systems at all reasonable times for such purposes as inspection, monitoring, building, operation, rehabilitation and replacement.

Intermunicipal Projects and Service Agreements

Although a special Appropriations Act grant may be awarded to one entity, the successful operations of the grant funded project may depend on the support and cooperation of other

entities, municipalities, or utility districts. This is especially evident when one entity is providing wastewater treatment services or supplying drinking water to another entity. Accordingly, for projects involving interactions between two or more entities, the applicant should provide assurances that the grant funded project will function as intended for its expected life. Adequate assurance may be met through the creation of special service districts, regionalization of systems, or intermunicipal service agreements.

Special service districts and regionalization of systems are considered to be obligations in perpetuity to serve the customers of the newly created authority and automatically meet the expected lifetime requirements. The intermunicipal service agreement or contract is a legal document for cooperative ventures between separate entities, both of which wish to continue functioning with a large degree of independent control in their respective service areas. Such agreements will need to extend for a minimum number of years for an EPA funded project to be considered viable. For the purposes of special Appropriations Act projects, EPA will accept the following contract lifetimes as meeting the minimum standard⁹:

<u>ITEM</u>	<u>LIFE (years)</u>
<u>Land</u>	Permanent
<u>Wastewater/Water Conveyance Structures:</u> collection systems, pipes, interceptors, force mains, tunnels, distribution lines, etc.	40
<u>Other Structures:</u> plant buildings, concrete tankage, basins, lift station and pump station structures, inlet structures, etc.	30
<u>Wastewater and Drinking Water Process Equipment</u>	15
<u>Auxiliary Equipment</u>	10

A shorter time frame may be accepted if suitably justified and approved by EPA.

Non-Construction Costs

The scope of work of a grant may include planning, design and administrative activities, and the cost of land. Land need not be an "integral part of the treatment process" as in the Clean Water Act title II construction grant program. However, all elements included within the scope of work of the grant must conform to the requirements of 40 CFR Parts 30 or 31. This means, if

⁹The anticipated useful life of the facility components is based on the low end of the assumed service life for items in EPA's Construction Grants Program and past experience with the award and administration of special Appropriations Act projects.

planning, design and administrative activities are included in the grant, the procurement of those services and the contracts must comply with the applicable sections of Parts 30 or 31. If land is included, there will be a Federal interest in the land regardless of when it was purchased and the purchase must be (must have been) in accordance with the applicable sections of Parts 30 or 31 and the Uniform Relocation Assistance and Real Property Acquisition regulations for Federal and Federally assisted programs at 49 CFR Part 24.

Refinancing

Funds appropriated for the special projects should not be awarded solely to pay down loans received from a State Revolving Fund or other indebtedness unless there are explicit instructions to do so in the Appropriations Act or accompanying reports, or the facts of the case are such that this is the only way to award the funds that were appropriated for the project. Any request to use special Appropriations Act grant funds to pay down a loan must be approved, in writing, by EPA Headquarters. The request, with sufficient supporting documentation, should be submitted to the Director, Office of Wastewater Management, (Mail Code 4201M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460.

Definitions

In the context of determining that the scope of work of the grant is in conformance with the project description contained in Attachment 1, the word “water” can be considered to mean: drinking water, wastewater, storm water or combined sewer overflow. Additionally, the phrases “sewer project,” “sewer improvements,” “sewer upgrade,” “sewer development,” “sewer expansion,” “sewer system,” “plant project,” “plant upgrade,” or “plant expansion” are considered broad enough to include all aspects of the upgrade, expansion and development of a complete wastewater treatment system.¹⁰ Furthermore, the words “and” & “or” as used in the project description are interchangeable.

Project Officer Responsibilities

The project officers must review the grant application to determine that

- the scope of work of the grant is clearly defined;
- the scope of work is in conformance with the project description contained in Attachment 1;
- there is a clearly stated environmental or public health objective;
- there is a reasonable chance that the project will achieve its objective(s); and
- the costs are reasonable, necessary and allocable to the project.

¹⁰ A complete wastewater treatment system is defined at 40 CFR 35.2005(12).

Grant applications should be processed in a timely manner, but the applications should be carefully reviewed and the grant awarded only when it is prudent to do so. Additionally, the Regions may impose reasonable requirements through grant conditions in those situations considered necessary.

NEW REQUIREMENTS/INITIATIVES

Questions concerning the relationship of a number of existing Federal requirements and their applicability to the special Appropriations Act projects have been raised within the Agency. This section addresses those issues and describes the Agency's implementation plan for those requirements.

Description of Environmental and Public Health Benefits

The Agency is required, through various mechanisms, to assess and report to the public, other governmental Agencies, such as the Office of Management and Budget or the General Accounting Office and Congress, the environmental and public health benefits that are achieved through the expenditure of EPA grant funds. To obtain the information needed to make such an assessment, all EPA grant recipients subject to these guidelines will be required to submit a short narrative describing the environmental and public health benefits to be achieved by the project. In most cases, the Agency believes that this information already exists.

The narrative should describe, to the extent possible, the incremental environmental and public health benefits to be provided by the project. The narrative could be included in a facilities plan, a preliminary engineering report or an environmental information document. If these reports or documents have been completed, the narrative should be submitted with the grant application. Additionally, at the conclusion of the project, the grantee is required to submit an assessment of how effective the project was in achieving the stated environmental and public health objectives. Currently, the Agency is evaluating the type, extent and nature of information needed to meet the Government Performance and Results Act (GPRA) and other requirements. The Regions will receive supplemental instructions describing the procedures for requesting and reporting this information.

Conformance with Combined Sewer Overflow Control Policy

EPA's Combined Sewer Overflow Control (CSO) Policy is a national framework for control of CSOs through the National Pollutant Discharge Elimination System. This policy resulted from negotiations among municipal organizations, environmental groups, and State agencies. The policy was signed by the Administrator on April 11, 1994, and was incorporated into law by the Wet Weather Water Quality Act of 2000, which was enacted as part of the Consolidated Appropriations Act for FY 2001 (P. L. 106-554). The CSO policy¹¹ applies to

¹¹The CSO policy is available on the internet at www.epa/npdes/cso.

special Appropriations Act projects that include funding for CSO related work or activities. EPA is considering the development of a memorandum that would clarify the policy as it relates to the grant and loan programs administered by the Agency. If and when such a memorandum is issued, it would also apply to those special Appropriations Act projects that include funding for CSO related work or activities.

Geographic Location

All of the Headquarters and Regional water offices have jointly agreed to collect, and store in an appropriate database, locational data (e.g., longitude and latitude) for EPA funded infrastructure projects. To the extent possible, this effort will be performed by contractors and interns. However, some Regional, State and grantee assistance will be required. Accordingly, a term and condition will be required for all new grants stating that locational information must be submitted. The Agency is currently finalizing instructions concerning the specific information that should be provided and the procedures for entering this information into the Agency's data systems. As soon as this document is completed, it will be forwarded to the Regions. This document will also address the procedures required to obtain similar information for previously awarded projects.

Asset Management

Asset management is defined as managing infrastructure assets to minimize the costs of owning and operating them while delivering the service customers desire. Asset management is a continuous process that guides the acquisition and use of infrastructure to optimize service and delivery, and reduce costs. Asset management is used extensively in Australia, New Zealand and Europe and is currently being adopted by utilities in the United States. Integral to asset management is the development of an asset management strategy and plan. EPA has encouraged all wastewater treatment and drinking water utilities to develop an asset management strategy and plan. To promote these efforts, the Agency will provide grantees with the information necessary to understand the benefits of asset management and provide the materials necessary to develop a strategy and plan.

POST AWARD MANAGEMENT

EPA Order 5700.6, issued December 31, 2002, implements the Agency's "Policy on Compliance, Review and Monitoring."¹² The purpose of this Order is to consolidate and improve all existing EPA post-award management policies. The intent of post-award management is to provide effective oversight of the recipient's performance and products. The EPA Order applies to the projects identified in Attachment 1.

¹²The Order is available on the EPA intranet at: http://intranet.epa.gov/rmpolicy/ads/orders/5700_6.pdf.

In addition to the general requirements contained in the EPA Order, the following types of activities, which are directly related to construction projects, should be considered in the development of a post-award monitoring plan:

- Review periodic payment requests.
- Conduct interim inspections.
- Review change orders and claims.
- Review and approve final payment requests.
- Determine that the project is capable of meeting the objectives for which it was planned, designed and built.
- Determine that all grant requirements have been fulfilled.
- Assure that the grant can be closed out.

Many of these activities can be performed by the State, COE or contractor, and as such, are eligible for funding under the three percent set-aside provision.

AGENCY GOALS FOR COMPLETING AND CLOSING OUT PROJECTS

On June 10, 1997, the Agency issued a strategy for administratively completing and closing out the remaining construction grant projects.¹³ Administrative completion takes place when a final audit is requested, or if a final audit is not required, when the following has been achieved: all the grant conditions have been satisfied, a final inspection has been performed, the final payment has been reviewed and processed, and project performance standards¹⁴ have been achieved. Closeout takes place when a closeout letter is sent to the grant recipient. The June 10, 1997 strategy document established the goal of administratively completing post FY 1991 construction grant *and special Appropriations Act projects* within five years of grant award, and closing out construction grant *and special Appropriations Act projects* within seven years of grant award. Accordingly, all future grant awards, except in those circumstances where the complexities or size of the project dictate otherwise, should include schedules that are in conformance with the national goals.

PROGRAM SPECIFIC GUIDELINES

The Agency's FY 2003 Appropriations Act and accompanying reports contain a number of requirements for the United States-Mexico Border Program, the Alaska Rural and Native Villages Program, the Long Island Sound Restoration Program and the National Decentralized Wastewater Treatment Demonstration Program. This section describes the Agency's interpretation and planned implementation of those requirements.

¹³ In a memorandum dated May 6, 1999, the Agency issued supplemental guidance providing clarification to the completion/closeout strategy. The Agency is considering issuing additional guidance that addresses the implementation of the GPRA requirements.

¹⁴ Project performance standards are defined at 40 CFR 35.2005(33).

United States-Mexico Border Program

The Agency's FY 2003 Appropriations Act, after rescission, provides \$49,675,000 for:

architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission.

The scope of work for grants awarded for the United States-Mexico Border Program must conform with the language contained in the Appropriations Act and the grant file should include documentation that describes the results of the discussions and consultations with the appropriate border commissions. In large part, EPA provides grant funding to the Border Environmental Cooperation Commission (BECC) for the project development assistance program (PDAP) and the North American Development Bank (NADBank) for the Border Environmental Infrastructure Fund (BEIF); in these cases, the subgrants from BECC and NADBank should contain similar documentation.

Additionally, the Agency's FY 2003 Appropriations Act contains the following provision:

That no funds provided by this legislation to address the water, wastewater and other critical infrastructure needs of the colonias in the United States along the United States-Mexico border shall be made available to a county or municipal government unless that government has established an enforceable local ordinance, or other zoning rule, which prevents in that jurisdiction the development or construction of any additional colonia areas, or the development within an existing colonia the construction of any new home, business, or other structure which lacks water, wastewater, or other necessary infrastructure.

On January 25, 2001, the Agency revised its criteria for funding the construction of facilities along the United States-Mexico Border to reflect this requirement.

The Conference Report identifies two projects that are to be funded by monies provided for the United States-Mexico Border Program: "\$7,000,000 for continuation of the El Paso, Texas desalination project, and \$2,000,000 for the Brownsville, Texas water supply project." The Brownsville and El Paso projects will be awarded by the EPA Region VI Office and administered within the provisions, including the 45 percent matching requirement, contained in this memorandum.

EPA cost participation on projects funded from the United States-Mexico Border appropriation item (with the exception of the two projects identified above) will be decided on a

project-by-project basis. The EPA cost share will depend on a number of factors which have been separately defined within the context of the United States-Mexico Border Program.

On May 12, 1997, the Agency issued a memorandum (Attachment 9) concerning "Program Requirements for Mexican Border Area Projects Funded under the Authority of this Agency's FY 1995, 1996 and 1997 Appropriations Acts." That memorandum also applies to the United States-Mexico Border Area projects funded under the authority of the Agency's FY 2003 Appropriations Act.

Alaska Rural and Native Villages Program

The Agency's FY 2003 Appropriations Act, after rescission, provides \$42,720,500 for "grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages." This includes the activities specified in the Safe Drinking Water Act of 1996, (P. L. 104-182, Section 303), specifically: "training, technical assistance, and educational programs relating to the operation and management of sanitation services in rural and Native villages."

Instructions contained in the Senate Report (S. Rept. No. 107-272, at p. 82) states that "EPA is to work with the grant recipient on appropriate cost-share arrangements consistent with past practices." In the past, the State of Alaska has provided a 25 percent match for these grants. This means that the State of Alaska should provide \$14,240,166 for the required match.

Long Island Sound Restoration Program

Earmark Number 337 in the STAG account of the Agency's FY 2003 Appropriations Act, after rescission, provides \$3,576,600 "for water quality infrastructure improvements for Long Island Sound, New York." The Agency intends to administer this earmark using the Long Island Sound Program Guidelines issued on May 6, 2002. These Guidelines entitled "Award of Infrastructure Grants to Implement the Long Island Sound Comprehensive Conversion and Management Plan" were developed to implement the Long Island Restoration Act section which is Title IV of the Estuary and Clean Water Act of 2000 (P. L. 106-457). The \$3,576,600 will be awarded as grants to the States of New York and Connecticut in accordance with allocation procedures established by the Long Island Sound Management Conference.

National Decentralized Wastewater Treatment Demonstration Program

The Conference and House Reports, which accompanied the Agency's FY 2003 Appropriations Act, contain a number of provisions related to the six decentralized wastewater treatment projects that will be included in the National Decentralized Wastewater Treatment Demonstration Program. The Conference Report identifies the six demonstration projects, specifies the amount of grant funds available for each project and "requires a cost share whereby each grantee must provide 25 percent of the project's costs." The House Report states that "The

Committee expects the Agency to continue the cost share requirements for these six projects as was provided previous projects under this program.” Language in the FY 1999 Conference Report concerning the National Decentralized Wastewater Treatment Demonstration projects stated that “previous expenditures [are] to be counted toward a local cost share of these projects of only 25 percent.” The Agency will apply these same requirements to the six projects identified in the Agency’s FY 2003 Appropriations Act.

PROJECT SPECIFIC GUIDELINES

Guam and Virgin Islands Projects

The Appropriations Act and Conference Report contain a number of provisions related to individual projects. The following discussion describes the Agency’s interpretation and planned implementation of these provisions.

Earmark Number 138 and Earmark Number 457 in the Agency’s FY 2003 Appropriations Act provides, respectively, “\$450,000 to continue the Ground Water Chlorination System Replacement and Upgrade Project on Guam,” and “\$450,000 to the Government of the Virgin Islands for water and wastewater infrastructure improvements.”

The Omnibus Territories Act of 1977 (P. L. 95-134) authorizes Departments and Agencies to award grants to Insular Territories, such as Guam and the Virgin Islands, without a matching requirement. Historically, EPA has exercised this discretionary authority and awarded funds to the Insular Territories without any matching requirement. The Agency intends to continue this practice. Accordingly, the FY 2003 special Appropriations Act projects for Guam and the Virgin Islands can be awarded without a matching requirement. However, the FY 2003 Appropriations Act also states that the grant funds for Guam must be used “to continue the Ground Water Chlorination System Replacement and Upgrade Project,” and the grant funds for the Virgin Islands must be used “for water and wastewater infrastructure improvements.” Accordingly, separate grants must be awarded to Guam and the Virgin Islands specifically for these activities.

REVISION OF LANGUAGE CONTAINED IN PREVIOUS APPROPRIATIONS ACTS

The Agency’s FY 2003 Appropriations Act amended the language for the following STAG earmarks:

The project descriptions for Earmark Number 27 (FY 1999), Earmark Number 38 (FY 2000) and Earmark Number 59 (FY 2001), which were for Big Haynes Creek, Georgia, were amended to include “the Upper Ocmulgee River Watersheds, Georgia.”

The project description for Earmark Number 205 (FY 2002) for Moorestown, New Jersey was changed to “water and wastewater infrastructure improvements.”

The project description for Earmark Number 137 (FY 2000) for Welch, West Virginia was changed to “improvements and extensions to the Indian Ridge Industrial Park.”

The project description for Earmark Number 103 (FY 2002) for Rock Falls, Illinois was changed to “wastewater and drinking water infrastructure improvements.”

The designated recipient and project description for Earmark Number 283 (FY 2002) for Charleston County South Carolina was changed to “the Mount Pleasant Waterworks Commission, South Carolina, for the Snowden Community Wastewater Collection System.”

The project description for Earmark Number 216 (FY 2001) for the Grand Water and Sewer Agency, Utah was extended by adding the following to the original project description: “and after February 1, 2003, any remaining unobligated funds to the City of Enedover, Utah for water and wastewater infrastructure improvements.”

The Emergency Wartime Supplemental Appropriations Act, 2003 (P. L. 108-11) amended the language for the following STAG earmarks:

The designated recipients, project descriptions and division of funds for Earmark Number 135 (FY 2000) for Huntington, West Virginia was changed to “\$437,000 for the Huntington Sanitary Board of Huntington West Virginia, for the construction of wastewater treatment facilities in the Fourpole Watershed; and \$513,000 for the Region I Planning and Development Council in Princeton, West Virginia for water and wastewater improvements.” The amounts available for grant award, after rescission, are \$415,458 and \$487,458, respectively.

The project description for Earmark Number 222 (FY 2002) for the Narrowsburg Water and Sewer District, New York was changed to “water infrastructure improvements.”

The project description for Earmark Number 72 (FY 2003) for the Mojave Water Agency, California was changed to “the Mojave Desert Arsenic Demonstration Project.”

PROJECT MANAGEMENT RESOURCES

You should invite State agencies to participate as much as possible in the pre-application, application review, and grant administration process.

Legislative language in the Agency’s FY 1997 Appropriations Act authorized the use of title II deobligations for State administration of special Appropriations Act *wastewater* projects, coastal/need cities projects and construction grant projects. The guidance document on the implementation of this provision was issued by the Director, Municipal Support Division, on December 3, 1996 (Attachment 10).

The interagency agreement (IAG) with the Corps of Engineers was recently amended to allow the IAG funds to be used for the administration, oversight and management of all special Appropriations Act projects, including those involving drinking water and other water related projects.

States may also use funds awarded under Section 106 of the Clean Water Act (P. L. 92-500) for activities associated with these special projects provided Section 106 program officials agree.

The Agency's FY 2001 Appropriations Act states that "the Administrator may use up to 3 percent of the amount of each project appropriated to administer the management and oversight of construction of such projects through contracts, allocation to the Corps of Engineers, or grants to States." A discussion of the three percent set-aside provision is contained on page two of this memorandum.

ACTIONS

If you have not already done so, you and your staff should initiate discussions with the appropriate grant applicants to develop a detailed scope of work and to explain the grant application and review process. Additionally, the grant applicant should be provided with a copy of this memorandum prior to grant award to ensure that the applicant is on notice of the applicable requirements before the grant is awarded.

If you have any questions concerning the contents of this memorandum, you may contact me, or have your staff contact Larry McGee, Municipal Assistance Branch, Municipal Support Division, at (202) 564-0619.

Attachments

cc: Municipal Construction Program Managers, Regions I-X
Regional NEPA Contacts, Regions I -X
Mark Tedesco, Long Island Sound Office, Region II
Marcia Combes, Alaska Operations Office, Region X

SPECIAL WATER AND WASTEWATER INFRASTRUCTURE PROJECTS (STAG ACCOUNT)

INCLUDED IN EPA'S FY 2003 APPROPRIATIONS ACT

07/07/03

Line Item #	Budget Code	Earmark Designation	Earmark Amount	Rescission Amount	3% Set-Aside	Calculated Grant Amount	Description
Region 1							
<u>Connecticut</u>							
104	AXI	New Britain, City of	900,000	5,900	26,800	867,300	For water infrastructure improvements
107	QL3	New Fairfield, Town of	157,500	1,000	4,700	151,800	For water infrastructure improvements
105	AXI	Southington, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements
108	QJA	Vernon and Bolton	675,000	4,400	20,100	650,500	To be shared equally between the towns to support the Vernon-Bolton Lake Sewer Project System
106	A9B	Wolcott, Town of	157,500	1,000	4,700	151,800	For water infrastructure improvements
<u>Massachusetts</u>							
215	AUH	Bristol County	900,000	5,900	26,800	867,300	For sewer infrastructure improvements
213	QQR	Brockton, City of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
214	QL5	Lawrence	135,000	900	4,000	130,100	For combined sewer overflow mitigation
216	QBA	Pioneer Valley Planning Commission, West Springfield	810,000	5,300	24,100	780,600	In consultation with the Metropolitan District Commission in CT, for wastewater infrastructure and combined sewer overflow improvements on the Connecticut River in CT and MA
<u>Maine</u>							
226	QOC	Augusta	450,000	2,900	13,400	433,700	For its sewer system
227	A6V	Corinna	900,000	5,900	26,800	867,300	For its sewer system
225	QQL	Saco	450,000	2,900	13,400	433,700	For its sewer system
224	AYA	Vinalhaven	450,000	2,900	13,400	433,700	For its sewer system
<u>New Hampshire</u>							
297	ASK	Berlin, City of	900,000	5,900	26,800	867,300	To assist in construction of water delivery infrastructure
296	QRJ	Exeter, Town of	360,000	2,300	10,700	346,900	For planning and design of a new water treatment plant
295	QBG	Manchester, City of	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
292	AXH	Nashua, City of	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
293	QPK	Portsmouth, City of	540,000	3,500	16,100	520,400	For mitigation of combined sewer overflows
294	QQ3	Somersworth, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
<u>Rhode Island</u>							
396	QLR	Coventry, Town of	450,000	2,900	13,400	433,700	For drinking water infrastructure improvements
394	A8I	Narragansett Bay Commission	2,250,000	14,600	67,100	2,168,300	In cooperation with other Bay communities, for wastewater and combined sewer overflow infrastructure improvements
395	QLE	Pawtucket Water Supply Board	540,000	3,500	16,100	520,400	For the purchase of the City of Central Falls Water Distribution System
393	QOP	Woonsocket, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements
<u>Vermont</u>							
458	QN4	Champlain Water District	1,530,000	9,900	45,600	1,474,500	For Chittenden County stormwater infrastructure improvements
460	QO7	Richmond, Town of	1,170,000	7,600	34,900	1,127,500	For wastewater treatment facility upgrades
459	QMM	Warren, Town of	1,350,000	8,800	40,200	1,301,000	For wastewater treatment facility upgrades
26		Region 1 Totals	18,405,000		548,300	17,737,000	

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07/07/03

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Region 2							
<u>New Jersey</u>							
303	QBQ	Camden County Municipal Authority	1,350,000	8,800	40,200	301,000	For sewer infrastructure improvements
299	A7U	Jefferson, Township of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements to help protect water quality of Lake Hopatcong, NJ
298	QTX	New Providence, Borough of	391,500	2,500	11,700	377,300	For water and wastewater infrastructure improvements
301	AXL	North Hudson Sewerage Authority	225,000	1,500	6,700	216,800	For combined sewer overflow improvements
300	ATI	Passaic Valley Sewerage Commission	2,250,000	14,600	67,100	2,168,300	For its combined sewage overflow reduction program and the Passaic River/Newark Bay Restoration program
302	QBP	Vernon, Township of	450,000	2,900	13,400	433,700	For wastewater improvement
<u>New York</u>							
323	QK6	State of New York	450,000	2,900	13,400	433,700	For the South Shore Estuary Reserve Council of Long Island, NY for stormwater infrastructure improvements
331	QBK	Buffalo, City of, Water Division	900,000	5,900	26,800	867,300	For water infrastructure improvements
338	QTV	Cortland County Industrial Development Agency	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements to the Cortland County Business Park
320	QMN	Floyd, Village of	225,000	1,500	6,700	216,800	For the Village of Floyd, NY Water Quality/Quantity Improvement Project
330	QN2	Hamburg, Town of	450,000	2,900	13,400	433,700	For sanitary sewer overflow improvements
327	QO3	Lake Neatahwanta Reclamation project	450,000	2,900	13,400	433,700	For the Lake Neatahwanta Reclamation project in Oswego County
319	QJK	Little Falls, City of	900,000	5,900	26,800	867,300	For water infrastructure improvements
340	QMQ	Middletown, City of	450,000	2,900	13,400	433,700	For the City of Middletown Filtration Plant
332	AXF	Monroe County Water Authority	900,000	5,900	26,800	867,300	For construction of a covered reservoir and security improvements
339	QNM	Nassau, County of	675,000	4,400	20,100	650,500	For water quality infrastructure improvements at Nassau County Park facilities
336	ANI	New York City Watershed	5,400,000	35,100	160,900	5,204,000	For drinking water infrastructure needs
325	QM4	Niagara Falls, City of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
324	QNP	North Hempstead, Town of	675,000	4,400	20,100	650,500	For stormwater management infrastructure improvements within Manhasset Bay and Hempstead Harbor on the Long Island Sound
334	AME	Onondaga Lake	10,800,000	70,200	321,900	10,407,900	For continued clean water improvements
328	QOY	Oswego, City of	900,000	5,900	26,800	867,300	For combined sewer overflow system improvements
326	QQW	Rye, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
333	QBW	Saratoga County Water Committee	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
329	QB1	Sloan, Village of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
335	AY5	Syracuse, City of	1,800,000	11,700	53,600	1,734,700	For water and wastewater infrastructure improvements
322	QMF	Walden, Village of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
321	QBL	Whitney Point, Village of	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements

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<u>Puerto Rico</u>							
392	QSC	Commonwealth of Puerto Rico Sewer and Water Authority	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements in the municipality of Arecibo
<u>Virgin Islands</u>							
457	A80	Virgin Islands, Government of the	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
29		Region 2 Totals	35,446,500		1,056,100	34,159,800	
<u>Region 3</u>							
<u>District of Columbia</u>							
109	QCT	District of Columbia Water and Sewer Authority	900,000	5,900	26,800	867,300	To mitigate combined sewer overflows into the Anacostia and Potomac Rivers
<u>Delaware</u>							
110	QN3	Bridgeville, Town of	900,000	5,900	26,800	867,300	For wastewater treatment plant improvements
111	QSZ	Harrington, Town of	900,000	5,900	26,800	867,300	For wastewater treatment plant improvements
<u>Maryland</u>							
222	QKZ	Baltimore, City	3,600,000	23,400	107,300	3,469,300	For water and wastewater infrastructure improvements
217	QQM	Elkton, Town of	450,000	2,900	13,400	433,700	For biological nutrient removal upgrades
218	QLU	Federalburg, Town of	450,000	2,900	13,400	433,700	For biological nutrient removal upgrades
223	QQB	Indian Head, Town of	1,800,000	11,700	53,600	1,734,700	For sewer and water improvements in Woodland Village
219	QNL	LaPlata	940,500	6,100	28,000	906,400	For water supply and distribution infrastructure improvements, sanitary sewer collection system modifications, and wastewater and stormwater infrastructure improvements
220	QRY	Rockville, City of	1,125,000	7,300	33,500	1,084,200	For its Stormwater Management Improvement Project
221	QJG	Washington Suburban Sanitary Commission	450,000	2,900	13,400	433,700	For water infrastructure improvements in Prince George's and Montgomery Counties
<u>Pennsylvania</u>							
389	QJE	Chestnut Ridge Area Joint Municipal Authority	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements for East St. Clair, West St. Clair, King and Napier Townships and in New Paris Borough
378	QQC	Derry Township Municipal Authority in Dauphin County	1,350,000	8,800	40,200	1,301,000	For wastewater infrastructure improvements
382	QRP	Derry Borough Water Authority in Westmoreland County	450,000	2,900	13,400	433,700	For water infrastructure improvements
390	QQ4	Eastern Snyder County Regional Authority	900,000	5,900	26,800	867,300	To upgrade its wastewater treatment plant, including replacing equipment, improving the treatment system, and installing new technology for nutrient removal, in order to improve the water quality of the Chesapeake Bay
384	QQV	Franklin, City of	450,000	2,900	13,400	433,700	For combined sewer overflow infrastructure improvements
377a	A5X	Hermitage, City of	383,850	2,500	11,500	369,900	For wastewater infrastructure improvements
385	QKG	Lancaster, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
387	QMT	Lycoming County	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements in the Boroughs of Hughesville and Muncy and at Halls Station
381	QO1	Nanty Glo Water Authority of Cambria	387,000	2,500	11,500	372,900	For water infrastructure improvements
379	QJO	Pulaski Township	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements

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377b	A5X	Sharpsville, Borough of	102,150	700	3,000	98,500	For wastewater infrastructure improvements
388	QKV	Susquehanna County Economic Development, Department of, in Montrose	450,000	2,900	13,400	433,700	For water infrastructure improvements
376	AN4	Three Rivers Wet Weather Demonstration Program	2,250,000	14,600	67,100	2,168,300	For the Three Rivers Wet Weather Demonstration program in Allegheny County, PA
391	QQT	Upper Allen Township, Cumberland County	900,000	5,900	26,800	867,300	To increase sewer treatment capacity by repairing inflow and infiltration problems in older sections of the collection system, divert sewage to a treatment plant, and install new sanitary sewer collection system extensions to replace malfunctioning on-lot disposal systems
383	QP4	Wellsboro, Borough of	270,000	1,800	8,000	260,200	For combined sewer overflow improvements
380	QC2	Wyoming Valley Sanitary Authority	450,000	2,900	13,400	433,700	For combined sewer overflow infrastructure improvements
386	QC1	York City Sewer Authority	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
<u>Virginia</u>							
453	QML	Accomack County	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
452	QT2	Alexandria, City of	675,000	4,400	20,100	650,500	For the Sanitary and Stormwater Sewer Reconstruction and Extension project to mitigate overflows polluting Four Mile Run Creek
449	QPS	Buckingham County	270,000	1,800	8,000	260,200	For water and wastewater infrastructure improvements for Buckingham County and the Town of Dillwyn
444	QOS	Camp Virginia Jaycee in Blue Ridge	135,000	900	4,000	130,100	For a wastewater treatment project
442	QJJ	Chesterfield County	472,500	3,100	14,100	455,300	For drainage and wastewater infrastructure improvements
450	QTR	Cumberland County	180,000	1,200	5,400	173,500	For water infrastructure improvements
440	QMP	Dale Service Corporation	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements in Dale City
438	QKB	Dublin, Town of	900,000	5,900	26,800	867,300	For water infrastructure improvements
441	A1F	Fairfax County Water Authorit	855,000	5,600	25,500	824,000	For water system infrastructure and security enhancements
445	QCX	Fluvanna County	360,000	2,300	10,700	346,900	For water and wastewater infrastructure improvements
448	QCB	Franklin County	270,000	1,800	8,000	260,200	For a drinking water infrastructure project
456	QOO	Loudoun County Department of Building and Development	900,000	5,900	26,800	867,300	For groundwater monitoring infrastructure of the Water Resources Management Program
451b	AQ9	Lynchburg	900,000	5,900	26,800	867,300	For combined sewer overflow infrastructure improvements
443	QSR	Nelson County	360,000	2,300	10,700	347,000	For water and wastewater system installation and improvements
454	QB8	Norfolk, City of	180,000	,200	5,400	173,500	For wastewater infrastructure improvements at the North Fox Hall and Sewell Garden pump stations
455	QPT	Norfolk, City of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements in Fairmont Park
439	QKO	Orange, Town of	315,000	2,000	9,400	303,600	For construction of a raw water storage basin
447	QOU	Pittsylvania County and the Town of Gretna	360,000	2,300	10,700	346,900	For water infrastructure improvements
451a	AQ9	Richmond	900,000	5,900	26,800	867,300	For combined sewer overflow infrastructure improvements
446	QJP	St. Paul College in Lawrenceville	315,000	2,000	9,400	303,600	For water and wastewater infrastructure improvements

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		<u>West Virginia</u>					
483	QS4	Beach Bottom, Village	571,500	3,700	17,000	550,800	For the extension of water lines, water plant construction and water line replacement
479	QRG	Grafton, City of	1,845,000	12,000	55,000	1,778,000	For upgrades to the Berkeley Run Pump Station, Front Street Sewer improvements, Fetterman's sewer improvements, Monroe Street sewer improvements, Ross Alley sewer improvements, East Knotts Area sewer improvements, Rochelle Road sewer improvements, Maple Street sewer improvements and Walnut Area sewer improvements
480	QJF	Grafton, City of	1,939,500	12,600	57,800	1,869,100	For wastewater treatment plant upgrades
476	QNX	Midland Public Service District in Randolph County	238,500	1,600	7,100	229,800	For the extension of waterlines for Haddix Road
478	QSB	Moundsville, City of	2,250,000	14,600	67,100	2,168,300	For construction of a water treatment facility
475	QT9	Putnam County Commission	270,000	1,800	8,000	260,200	For the Fishers Ridge water infrastructure project
481	QL9	Sistersville, City of	455,400	3,000	13,600	438,900	For water treatment plant upgrades
477	QM8	Weirton, City of	2,445,600	15,900	72,900	2,356,800	For water treatment plant upgrades
482	QJW	Wellsburg, City of	504,000	3,300	15,000	485,700	For replacement of the 11th Street Wastewater Lift Station
56		Region 3 Totals	42,100,500		1,254,200	40,572,600	
		<u>Region 4</u>					
		<u>Alabama</u>					
18	QPR	Alabaster, City of	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements
27	QN5	Athens, City of	180,000	1,200	5,400	173,500	For wastewater system improvements
7	QI1	Attalla	180,000	1,200	5,400	173,500	For sewerage system improvements
45	QSJ	Autauga County	585,000	3,800	17,400	563,800	For a sewer infrastructure construction project
39	QK4	Berry	450,000	2,900	13,400	433,700	For the construction of a new sanitary wastewater lagoon system
17	QOL	Calera, City of	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements
29	QLB	Coosa Valley Water Authority	315,000	2,000	9,400	303,600	For water infrastructure improvements in St. Clair County
16	QR3	Cullman County Commission	135,000	900	4,000	130,100	For the North Cullman County water systems upgrades
13	QSX	Douglas	180,000	1,200	5,400	173,500	For sewerage system improvements
33	QOH	Daphne, Foley and Fairhope, Cities of	630,000	4,100	18,800	607,100	For comprehensive water infrastructure assessment
44	QMR	Eve	180,000	1,200	5,400	173,500	For a sewer system project
15	QLV	Fayette Water Board	90,000	600	2,700	86,700	For water security system improvements
11	QP2	Fort Payne	900,000	5,900	26,800	867,300	For sewerage system improvements
12	QDO	Franklin County	270,000	1,800	8,000	260,200	For water infrastructure improvements
30	QP3	Fulton, City of	90,000	600	2,700	86,700	For water system improvements
40	QEU	Guin	450,000	2,900	13,400	433,700	For a water supply project
21	QEK	Huntsville, City of	675,000	4,400	20,100	650,500	For water system improvements
31	QES	Jackson, City of	585,000	3,800	17,400	563,800	For water infrastructure
9	QRC	Lawrence County	90,000	600	2,700	86,700	For the Bankhead Forest Water Project
24	QER	Limestone County Water and Sewer Authority	180,000	1,200	5,400	173,500	For drinking water improvements
26	QRU	Littleville, Town of	247,500	1,600	7,400	238,500	For wastewater system improvements
14	QM5	Marion County	180,000	1,200	5,400	173,500	For water system improvements
34	QR7	Mobile Area Water and Sewer System and the City of Prichard	585,000	3,800	17,400	563,800	For a combined sewer outflow project

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32	QI4	Mobile County Water, Sewer and Fire Protection Authority	675,000	4,400	20,100	650,500	For water system improvements
37	QSK	Monroeville, City of	225,000	1,500	6,700	216,800	For water system improvements
28	QK1	Montgomery, City of	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
22	QJR	Moulton, City of	675,000	4,400	20,100	650,500	For wastewater system improvements
35	QRF	Mt. Vernon	90,000	600	2,700	86,700	For water system improvements
43	QOG	Muscle Shoals	270,000	1,800	8,000	260,200	For a wastewater project
42	QKL	Notasulga, Town of	292,500	1,900	8,700	281,900	For the Notasulga Wastewater System
10	QPB	Phil Campbell, Town of	90,000	600	2,700	86,700	For water system improvements
8	QQY	Powell	180,000	1,200	5,400	173,500	For sewerage system improvements
19	QEF	South Alabama Utilities of the town of Citronelle	1,080,000	7,000	32,200	1,040,800	For water infrastructure improvements in western Mobile County
20	QD2	Southwest Alabama Regional Water Authority	450,000	2,900	13,400	433,700	For water infrastructure improvements
38	QDZ	Sumiton	450,000	2,900	13,400	433,700	For the Sumiton Sanitary Sewer System
36	QQA	Summerdale	90,000	600	2,700	86,700	For water infrastructure
41	QTI	Talladega	405,000	2,600	12,100	390,300	For county water supply facilities upgrades and construction
25	QEO	West Morgan-East Lawrence Water Authority	180,000	1,200	5,400	173,500	For drinking water improvements
23	QLM	Woodville, Town of	112,500	700	3,400	108,400	For wastewater system improvements
<u>Florida</u>							
127	QRK	Boca Raton, City of	450,000	2,900	13,400	433,700	For improvements for the Reverse Osmosis Water Treatment Facility
113	QDT	Clearwater, City of	450,000	2,900	13,400	433,700	For wastewater and reclaimed water infrastructure improvements
125	QR6	DeSoto County	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
133	QED	Eastern Orange and Seminole Counties	1,125,000	7,300	33,500	1,084,200	For the Regional Reuse Project
124	QLY	Escambia County, FL Utility Authority	225,000	1,500	6,700	216,800	For its Wastewater Treatment Public/Private Partnership project
116	QDQ	Jacksonville, City of	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements
132	QJY	Lake Seminole, Pinellas Count	810,000	5,300	24,100	780,600	For water and wastewater infrastructure improvements
129	QIX	Lighthouse Point, City of	225,000	1,500	6,700	216,800	For stormwater system upgrades and repairs
121	AXN	Opa-locka, City of	135,000	900	4,000	130,100	For drinking water, wastewater, stormwater and sewer infrastructure improvements
115	QTS	Orange County	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
119	QS7	Palm Beach County Solid Waste Authority	1,125,000	7,300	33,500	1,084,200	For pre-construction engineering and design of the Tri-County Biosolids Pelletization Facility Serving Palm Beach, Martin, and St. Lucie Counties
123	QD9	Sarasota County	450,000	2,900	13,400	433,700	For the Phillippi Creek Septic System Replacement Project
120	QDA	South Miami, City of	135,000	900	4,000	130,100	For drinking water, wastewater, stormwater and sewer infrastructure improvements
126	QSP	Sebring Airport Authority	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements for a light industrial/commercial business park
131	AY6	Southwest Florida Water Management District	7,875,000	51,200	234,700	7,589,100	For continuation of the Tampa Bay Reservoir project
118	QPM	Sweetwater, City of	900,000	5,900	26,800	867,300	For wastewater and stormwater infrastructure improvements
117	QMO	Tampa, City of	315,000	2,000	9,400	303,600	For the South Tampa Area Reclaimed Project
112	QNC	Tarpon Springs, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
114	QPW	Taylor County, FL Water and Sewer District	810,000	5,300	24,100	780,600	For wastewater infrastructure improvements

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130	QTU	Umatilla, City of	450,000	2,900	13,400	433,700	For stormwater infrastructure improvements
122	QTD	Volusian Water Alliance of Volusian County	900,000	5,900	26,800	867,300	For the Regional Aquifer Management Project and water infrastructure improvements
128	ANT	West Palm Beach, City of	450,000	2,900	13,400	433,700	For its wetlands-based water project
<u>Georgia</u>							
134b	QKU	Atlanta, City of	800,000	11,700	53,600	1,734,700	For the Nancy Creek project
137	QR8	Gwinnett County	675,000	4,400	20,100	650,500	For water and wastewater infrastructure improvements
136	QKH	Liberty County, GA Development Authority	405,000	2,600	12,100	390,300	For water and wastewater infrastructure improvements for the Coastal MegaPark
134a	QKU	Metropolitan North GA Water Planning District	900,000	5,800	26,900	867,300	For water and wastewater infrastructure improvements
135	AXX	Roswell, City of	675,000	4,400	20,100	650,500	For the Big Creek Watershed Demonstration Project
<u>Kentucky</u>							
195	QTH	Bardwell, City of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
192	QST	Beattyville, City of	360,000	2,300	10,700	346,900	For water infrastructure improvements
185	QLS	Carrollton, City of/Carrollton Utilities of KY	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements at the Carroll-Gallatin-Owen Regional Wastewater Treatment Plant
193	QL2	Clay, City of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
189	QSW	Corbin, City of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
197	QNR	Cynthiana Wastewater Treatment Plant	665,000	10,800	49,600	1,604,600	For wastewater infrastructure improvements
182	QO4	Franklin County Fiscal Court	450,000	2,900	13,400	433,700	For the Choateville Sewer Project
196	QRE	Greenville, City of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
186	QQ6	Louisville/Jefferson County Redevelopment Authority	450,000	2,900	13,400	433,700	For water infrastructure improvements for a technology park in Louisville
194	QLO	Marshall County Sanitation District #2	180,000	1,200	5,400	173,500	For water and wastewater infrastructure improvements for the City of Draffenville
190	QO2	Monticello, City of	360,000	2,300	10,700	346,900	For wastewater infrastructure improvements
188	QKM	Morehead, City of	360,000	2,300	10,700	346,900	For wastewater infrastructure improvements
187	QKC	Paintsville, City of	544,500	3,500	16,200	524,700	For wastewater infrastructure improvements
191	QKQ	Prestonsburg, City of	675,000	4,400	20,100	650,500	For wastewater infrastructure improvements
198	QKX	Sebree, City of	585,000	3,800	17,400	563,800	For the City of Sebree Sewer project
184	QKT	Shepherdsville, City of	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements
183	QNE	Spencer County Fiscal Court	225,000	1,500	6,700	216,800	For water infrastructure improvements
<u>Mississippi</u>							
258	QKS	Corinth, City of	495,000	3,200	14,800	477,000	For wastewater infrastructure improvements
263	A2E	Fayette	900,000	5,900	26,800	867,300	For the Jefferson County water and sewer Improvements project
260	AYE	Flowood	1,800,000	11,700	53,600	1,734,700	For the Hogg Creek Interceptor System
257	QNK	Gulfport, City of	270,000	1,800	8,000	260,200	For water infrastructure improvements
262	AWR	Jackson	900,000	5,900	26,800	867,300	For water infrastructure improvements
254	QI9	Lake, City of	64,800	400	1,900	62,400	For water infrastructure improvements
253	QN6	Louisville, City of	610,200	4,000	18,200	588,000	For water treatment system upgrades
261	QKY	Meridian	900,000	5,900	26,800	867,300	For wastewater improvements
256	QT6	McComb, City of	270,000	1,800	8,000	260,200	For wastewater infrastructure improvements
255	QK9	Newton, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements for an industrial park
259	QEJ	Tupelo, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements

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<u>North Carolina</u>							
284	QIO	Albermarle	135,000	900	4,000	130,100	For water and sewer improvements
269	QA1	Bakersville, Town of	270,000	1,800	8,000	260,200	For water infrastructure improvements
280	AW3	Buncombe County Solid Waste Management Facility	450,000	2,900	13,400	433,700	For water quality protection infrastructure improvements
278	QSF	Cary, Town of	360,000	2,300	10,700	346,900	For construction of a biosolids dryer facility
273	QOA	Concord, City of	900,000	5,900	26,800	867,300	For the Tri-County Regional Water Project in Cabarrus, Rowan, and Stanly Counties
270	QLA	Drexel, Town of	90,000	600	2,700	86,700	For water and wastewater infrastructure improvements
285	QMC	Gastonia	180,000	1,200	5,400	173,500	For water and sewer improvements
268	QP5	Granite Falls, Town of	180,000	1,200	5,400	173,500	For water infrastructure improvements
274	QN1	Granville, County of	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements
272	A5K	Henderson, City of	450,000	2,900	13,400	433,700	For the next phase of the rehabilitation and expansion of the water treatment facilities of the Kerr Lake Regional Water System
279	QNB	Highlands, Town of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
283	QLJ	Morgantown	180,000	1,200	5,400	173,500	For water and sewer improvements
281	QDW	Mooreville, Town of	360,000	2,300	10,700	346,900	For water infrastructure improvements
276	QMI	Neuse Regional Water and Sewer Authority in Lenoir County	900,000	5,900	26,800	867,300	For water infrastructure improvements
277	QL8	Orange County	900,000	5,900	26,800	867,300	For wastewater infrastructure needs
275	QLG	Richmond County	675,000	4,400	20,100	650,500	For water and wastewater infrastructure improvements
282	QSE	Robbins, Town of	450,000	2,900	13,400	433,700	For water treatment plant improvements
271	QI5	Spruce Pine, Town of	180,000	1,200	5,400	173,500	For construction of the Cemetery Hill Water Storage Tank
286	QPI	Valdese	225,000	1,500	6,700	216,800	For water and sewer improvements
<u>South Carolina</u>							
397	API	Berkeley County	450,000	2,900	13,400	433,700	For extension of water lines to Cross Community Schools
404	QEQ	Charleston County	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
406	QPO	Charleston, City of, Commission of Public Works	900,000	5,900	26,800	867,300	For wastewater tunnel replacement
403	QS3	Charlotte Mecklenburg Utilities	450,000	2,900	13,400	433,700	For a phosphorous reduction program in NC and SC
400	QPA	Eastover, Town of	225,000	1,500	6,700	216,800	For water infrastructure improvements
399	QEB	Florence, City of	450,000	2,900	13,400	433,700	For continued construction of a regional surface water plant
407	QTQ	Greenville, City of	900,000	5,900	26,800	867,300	For water and sewer infrastructure related to the Greenline-Spartenburg Neighborhood Redevelopment Project
401	QMG	Jackson, Town of	171,000	1,100	5,100	164,800	For removal of radium from the water supply
405	QRA	Mount Pleasant Waterworks Commission	900,000	5,900	26,800	867,300	For the Snowden Community Wastewater Collection Project
398	QQX	Myrtle Beach, City of, Downtown Redevelopment Corporation	450,000	2,900	13,400	433,700	For stormwater infrastructure improvements for the Pavilion Area Master Plan
402	QS2	Walhalla, City of	198,000	1,300	5,900	190,800	For water infrastructure improvements in Oconee County

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<u>Tennessee</u>							
419	QQE	Athens Utilities Board	350,000	8,800	40,200	1,301,000	For wastewater infrastructure improvements at the Oostanaula Wastewater Treatment Plant
418	QJH	Cross Plains, City of	351,000	2,300	10,500	338,300	For wastewater infrastructure improvements
423	QP9	Franklin, City of	350,000	8,800	40,200	1,301,000	For water quality improvements
420	QM9	Lawrenceburg, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
422	QMB	Polk County	1,080,000	7,000	32,200	1,040,800	For water infrastructure improvement for the Linsdale community
417	QTA	River Road Utility District	405,000	2,600	12,100	390,300	For water infrastructure improvements in Cheatham County
421	QEP	Watauga River Regional Water Authority in Carter County	90,000	600	2,700	86,700	For water infrastructure improvements
131		Region 4 Totals	69,777,000		2,078,900	67,244,500	
<u>Region 5</u>							
<u>Illinois</u>							
165	QMY	Breese, City of	360,000	2,300	10,700	346,900	For water infrastructure improvements
158	AK8	Chicago Metropolitan Water Reclamation District	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
155	QQN	Dallas Rural Water District	180,000	1,200	5,400	173,500	For water infrastructure improvements in Hancock County
150	A7M	DuPage County	450,000	2,900	13,400	433,700	For water infrastructure improvements
164	QKP	Flora, City of	225,000	1,500	6,700	216,800	For water infrastructure improvements for the Gateway Regional Water System
163	QFI	Galena	450,000	2,900	13,400	433,700	To expand and improve wastewater facilities
171	QT3	Georgetown, City of	450,000	2,900	13,400	433,700	For drinking water improvements
159	QK2	Granville, Village of	450,000	2,900	13,400	433,700	For water infrastructure improvements
154	QTW	Hamilton, City of	180,000	1,200	5,400	173,500	For water infrastructure improvements
169	QSS	Holland Regional Water System in Effingham	450,000	2,900	13,400	433,700	For a water treatment facility to improve regional drinking water
152	A2T	Johnsburg, Village of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
162	QFH	Justice, Village of	225,000	1,500	6,700	216,800	For water infrastructure improvements for the Wesley Fields water system
161	QRB	LaGrange, Village of	225,000	1,500	6,700	216,800	For water infrastructure improvements
151	A9Q	Lake County Stormwater Management Commission	450,000	2,900	13,400	433,700	For stormwater detention, infrastructure, modeling, design and management activities in the Upper Des Plaines River watershed
170	QEX	Moline, City of	450,000	2,900	13,400	433,700	For drinking water improvements
156	QKD	Montgomery, Village of	630,000	4,100	18,800	607,100	For removal of lead-based paint from water storage tanks
166	QRV	Patoka, Village of	22,500	100	700	21,700	For water infrastructure improvements
153	QOQ	Port Byron, Village of	450,000	2,900	13,400	433,700	For drinking water improvements
167	QS1	Salem, City of	90,000	600	2,700	86,700	For water and wastewater infrastructure improvements
157	QN7	Somonauk, Village of	234,000	1,500	7,000	225,500	For construction of a water storage tower
160	QSD	Toulon, Village of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
168	QIU	Wilmington, City of	675,000	4,400	20,100	650,500	For wastewater infrastructure improvements
<u>Indiana</u>							
172	A8K	Carmel, City of	675,000	4,400	20,100	650,500	For water infrastructure improvements
174	QT4	Cicero, Town of	148,500	1,000	4,400	143,100	For its stormwater infrastructure improvements and pollution prevention project
177	QQ7	Hobart, City of	675,000	4,400	20,100	650,500	For wastewater infrastructure improvements for the Green Acres subdivision

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173	QK5	Madison Township	90,000	600	2,700	86,700	For wastewater infrastructure improvements
176	QTZ	Tell City	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
175	QRH	Twin Lakes Sewer District in White County	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements
178	QTF	Vigo County	450,000	2,900	13,400	433,700	For the Sugar Creek Township Sanitary Sewer Project
<u>Michigan</u>							
228	AQE	Bad Axe, City of	270,000	1,800	8,000	260,200	For water infrastructure improvements
232	QFU	Detroit Water and Sewer Department	360,000	2,300	10,700	346,900	For water, wastewater and combined sewer overflow infrastructure improvements
238	QRX	Eastern Calhoun County	900,000	5,900	26,800	867,300	For regional wastewater treatment infrastructure improvements
235	QKR	Flint, City of	450,000	2,900	13,400	433,700	To upgrade the Pierson Road water main system
231	QFV	Genesee County Drain Commission	450,000	2,900	13,400	433,700	For the North-East Relief Sewer and Kearsley Creek Inceptor project
230	ASX	Grand Rapids, City of	675,000	4,400	20,100	650,500	For combined sewer overflow infrastructure improvements
233	QQZ	Oakland County	1,350,000	8,800	40,200	1,301,000	For the Evergreen-Farmington Sanitary Sewer Overflow demonstration project
234	AXO	Oakland County	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements within the George W. Kuhn Drainage District
237	AXU	Port Huron, City of	900,000	5,900	26,800	867,300	For sewer infrastructure improvements
229	AK9	Rouge River National Wet Weather Demonstration Project	900,000	5,900	26,800	867,300	For continuation of the Rouge River National Wet Weather Demonstration Project
236	QQI	Saginaw, City of	900,000	5,900	26,800	867,300	For sewer infrastructure improvements
<u>Ohio</u>							
362	QTL	Akron, City of	900,000	5,900	26,800	867,300	For sewer infrastructure improvements
346	QNH	Amanda, Village of	180,000	1,200	5,400	173,500	For water infrastructure improvements
361	QP6	Belmont, Village of	675,000	4,400	20,100	650,500	For the construction of a wastewater treatment plant and collection system
357	QNZ	Buckeye Water District Treatment Plant	180,000	1,200	5,400	173,500	For infrastructure improvements in Columbiana County
341	QQG	Cincinnati, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements
345	QM2	Crooksville, Village of	675,000	4,400	20,100	650,500	For water infrastructure upgrades
354	QFD	Delphos, City of	900,000	5,900	26,800	867,300	For the Tri-County Regional Water System Reservoir Project
348	QSG	Greene County	360,000	2,300	10,700	346,900	For water and wastewater infrastructure improvements
359	QNN	Hartford, Village of	225,000	1,500	6,700	216,800	For wastewater and sanitary sewer infrastructure improvements
356	QJL	Massillon, City of	900,000	5,900	26,800	867,300	For wastewater and stormwater infrastructure improvements
358	QTJ	Morristown, Village of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
363	QQK	Morristown	675,000	4,400	20,100	650,500	For a sanitary sewer collection system
343	QQF	Napoleon, City of	337,500	2,200	10,100	325,200	For water infrastructure improvements
355	QR4	North Canton, City of	900,000	5,900	26,800	867,300	For a water treatment project
350	AQD	Northeast Ohio Regional Sewer District	675,000	4,400	20,100	650,500	For the Doan Brook Watershed Area in Ohio for continued development of a storm water abatement system in the Doan Brook Watershed Area of Ohio
344	QSI	Northern Perry County Water District	720,000	4,700	21,500	693,900	For water infrastructure upgrades
353	QJQ	Perry County	450,000	2,900	13,400	433,700	For water infrastructure improvements
349	QJU	Pickaway County Sewer District	90,000	600	2,700	86,700	For a regional sewer study in Pickaway County

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360	QTY	Pomeroy, Village of	675,000	4,400	20,100	650,500	For the construction of an iron and manganese removal water treatment plant
352	AXT	Port Clinton, City of	630,000	4,100	18,800	607,100	For a wastewater infrastructure improvements and mitigation of combined sewer overflows
347	QSO	Spring Valley, Village of	450,000	2,900	13,400	433,700	To upgrade its water treatment and distribution system
351	QQJ	Toledo, City of	1,620,000	10,500	48,300	1,561,200	For the development of facilities related to its Methane Biogases Capture and Reuse Initiative
342	AXT	Van Wert, City of	675,000	4,400	20,100	650,500	For the expansion of a drinking water reservoir
<u>Wisconsin</u>							
470	QRI	Curtiss, Village of	337,500	2,200	10,100	325,200	For the expansion of their wastewater treatment plant
471	QNV	Mercer, Town of	832,500	5,400	24,800	802,300	For the extension of their water infrastructure to the new business park
473	AQ7	Milwaukee, City of	1,800,000	11,700	53,600	1,734,700	For the Central Metropolitan Interceptor Improvement Project
474	QF1	Racine, City of	900,000	5,900	26,800	867,300	For the Racine Advanced Water Treatment System
472	QQH	Wisconsin Rapids, City of	1,080,000	7,000	32,200	1,040,800	For the extension of sewer and water to the East Side Business Park and the Village of Biron
68		Region 5 Totals	37,552,500		1,118,800	36,189,400	
<u>Region 6</u>							
<u>Arkansas</u>							
49	QRT	Community Water System Public Water Authority, Lonoke and White Counties	225,000	,500	6,700	216,800	For the Green Ferry drinking water project
48	QOM	Fayetteville, City of	450,000	2,900	13,400	433,700	For regional wastewater system improvements
47	QGF	Menifee, Town of	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements
46	QNF	Osage Basin Wastewater District	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
<u>Louisiana</u>							
199	QJC	Military Department of Louisiana	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements for the Gillis W. Long Center
210	AQ8	East Baton Rouge Parish	787,500	5,100	23,500	758,900	For water and wastewater infrastructure improvements
208	QK7	Hammond, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements related to the Lake Pontchartrain Basin project
212	AQ8	Jefferson Parish	787,500	5,100	23,500	758,900	For sewer infrastructure improvements
211	QME	Lake Charles, City of	787,500	5,100	23,500	758,900	For wastewater treatment plant improvements
203	A4S	New Iberia, City of	180,000	1,200	5,400	173,500	For joint water and wastewater infrastructure improvements with Iberia Parish
200	QMU	Orleans Parish	900,000	5,900	26,800	867,300	For the sanitary sewer inflow infiltration project
201b	QMJ	Red River Watershed Management Institute	450,000	2,900	13,400	433,650	For water and wastewater infrastructure improvements
206	AY3	St. Bernard Parish	225,000	,500	6,700	216,800	For water and wastewater infrastructure improvements
205	QMZ	St. Charles Parish	225,000	1,500	6,700	216,800	For water and wastewater infrastructure improvements
207	QF8	St. James Parish	90,000	600	2,700	86,700	For water and wastewater infrastructure improvements coordinated with the Town of Gramercy
202	A4U	St. John the Baptist Parish	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
204	QQS	St. Martin Parish	180,000	,200	5,400	173,500	For water and wastewater infrastructure improvements
209	QR3	Slidell, City of	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements related to the Lake Pontchartrain Basin project
201a	QMJ	Shreveport, City of	450,000	2,900	13,400	433,650	For installation of backflow preventers within the water distribution system

**SPECIAL WATER AND WASTEWATER INFRASTRUCTURE PROJECTS (STAG ACCOUNT)
INCLUDED IN EPA'S FY 2003 APPROPRIATIONS ACT**

07/07/03

Line Item #	Budget Code	Earmark Designation	Earmark Amount	Rescission Amount	3% Set-Aside	Calculated Grant Amount	Description
<u>New Mexico</u>							
314	QJV	Alamogordo	900,000	5,900	26,800	867,300	For the Alamogordo Regional Desalination Project
311	AVK	Albuquerque and Bernalillo County, South and North Valley of	800,000	11,700	53,600	1,734,700	For water and wastewater treatment
306	QGJ	Belen, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
309	Q GK	Bernalillo, Town of	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
308	QOV	Bloomfield, City of	180,000	1,200	5,400	173,500	For wastewater infrastructure improvements
313	AVK	Espanola, City of	900,000	5,900	26,800	867,300	For water and wastewater treatment
312	QF9	Gallup, City of	450,000	2,900	13,400	433,700	For wastewater treatment plant improvements and upgrades
307	QQP	Greater Chimayo Mutual Domestic Water Consumers Association	180,000	1,200	5,400	173,500	For water infrastructure improvements
305	A2Y	Los Lunas, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
310	QS5	Los Lunas, Village of	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements
304	QGI	Ruidoso, City of	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
<u>Oklahoma</u>							
366	A9T	Altus, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements
364	QRQ	Hulbert, City of	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements for the Hulbert Community Health Center
	QPQ	Midwest City, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements
367	QF4	Norman, City of	1,350,000	8,800	40,200	1,301,000	For wastewater system improvements
<u>Texas</u>							
N/A		Brownsville	2,000,000	13,000		1,987,000	For the water supply project
427	QR2	Dallas, City of	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
424	QNA	Eagle Pass, City of	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements
N/A		El Paso	7,000,000	45,500		6,954,500	For continuation of the desalination and water supply project
426	A6G	Meridian, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements for the Meridian/Bosque Regional Water Supply and Treatment Project
430	QQD	Nacogdoches	1,350,000	8,800	40,200	1,301,000	For the development of a water and sewer drainage system
428	QM3	Port Arthur, City of	270,000	1,800	8,000	260,200	For water infrastructure improvements in the Sabine area
429	QTK	San Antonio Water Systems	1,800,000	11,700	53,600	1,734,700	For water and sewer improvements
425	QT7	West Fort Bend County	900,000	5,900	26,800	867,300	For water infrastructure improvements
43		Region 6 Totals	33,322,500		724,600	32,381,200	
<u>Region 7</u>							
<u>Iowa</u>							
142	QGX	Des Moines, City of	900,000	5,900	26,800	867,300	For stormwater and wastewater infrastructure improvements
144	A7P	Mason City	2,250,000	14,600	67,100	2,168,300	For the Municipal Water System Radium Removal Project
141	QA2	Ottumwa, City of	450,000	2,900	13,400	433,700	For combined sewer overflow system improvements
143	OPN	West Liberty, City of	450,000	2,900	13,400	433,700	For wastewater treatment improvements

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<u>Kansas</u>							
180	QTB	Augusta	450,000	2,900	13,400	433,700	For water infrastructure improvements
181	QTP	Latimer	450,000	2,900	13,400	433,700	For a pipeline project
179	QGZ	Ottawa, City of	270,000	1,800	8,000	260,200	For water and wastewater infrastructure improvements
<u>Missouri</u>							
248	QRO	Bolivar	405,000	2,600	12,100	390,300	For the Bolivar Industrial Park Sewer and Water System
242	QJN	Caldwell County	315,000	2,000	9,400	303,600	For water infrastructure improvements
243	QDJ	Clarence Cannon Wholesale Water Commission	450,000	2,900	13,400	433,700	For water infrastructure improvements in Monroe County
246	QMD	Dudley	450,000	2,900	13,400	433,700	For the City Water Expansion Project
241	AWT	Jefferson County Clean Water Committee	1,800,000	11,700	53,600	1,734,700	For wastewater infrastructure improvements
251	QPZ	Joplin	1,800,000	11,700	53,600	1,734,700	For the Crossroads Relief Sewer #2 and Sewer Extension Project
245	QL6	Kansas City	1,530,000	9,900	45,600	1,474,500	For the water component of the Beacon Hill Redevelopment Plan
244	A9U	Lake St. Louis, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements and watershed protection projects in the Peruque Creek watershed and along the St. Charles County Hi-Tech corridor area
252	QMA	Monett	1,350,000	8,800	40,200	1,301,000	For the Monett Sewer Treatment Plant Upgrade
240	QRN	St. Louis, City of	315,000	2,000	9,400	303,600	For water infrastructure improvements for Forest Park
247	QO9	St. Joseph	1,000,000	6,500	29,800	963,700	For wastewater infrastructure improvements
239	QLC	Springfield, City of	1,350,000	8,800	40,200	1,301,000	For feasibility studies, design and construction of stormwater infrastructure improvements for the Upper James River
250	QJB	Warrensburg	225,000	1,500	6,700	216,800	For the water component of the Warrensburg Downtown Revitalization Project
249	QSM	Warrenton	315,000	2,000	9,400	303,600	For the Warrenton Industrial Park Lift Station
<u>Nebraska</u>							
290	QG1	Lincoln	360,000	2,300	10,700	346,900	For the South Salt Creek Sanitary Sewer project
291	QGU	Omaha, City of	450,000	2,900	13,400	433,700	For a combined sewer overflow project
289	QOE	Wayne State College of Wayne	540,000	3,500	16,100	520,400	For the Wayne Community Greywater project
<u>NE</u>							
24		Region 7 Totals	18,325,000		545,900	17,660,200	
<u>Region 8</u>							
<u>Colorado</u>							
103	QSH	Brownsville District Sewer Development	1,440,000	9,400	42,900	1,387,700	For water and wastewater investments
102	QS8	Durango	450,000	2,900	13,400	433,700	For the Durango Water Treatment Facility
100	QSV	Mountain Village	360,000	2,300	10,700	346,900	For water infrastructure investment
101	QKJ	Mountain Village	270,000	1,800	8,000	260,200	For remediation of above-ground storage tanks

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<u>Montana</u>							
266	QI8	Belgrade, City of	1,350,000	8,800	40,200	1,301,000	For wastewater treatment
265	QQU	Conrad, City of	1,350,000	8,800	40,200	1,301,000	For a wastewater and drinking water project
267	QPF	Missoula	1,350,000	8,800	40,200	1,301,000	For the Mullan Road Corridor Sewer Project
264	QIY	Upper and Lower River Road Water and Sewer District	900,000	5,900	26,800	867,300	For wastewater infrastructure improvements
<u>North Dakota</u>							
288	QHF	Grafton, City of	900,000	5,900	26,800	867,300	For the Grafton Water Treatment Plant Improvement
287	QND	Park River, City of	,800,000	11,700	53,600	1,734,700	For the Park River Water System Improvements
<u>South Dakota</u>							
413	QCC	Box Elder	450,000	2,900	13,400	433,700	For water and wastewater system improvements
410	QQ9	Centerville, City of	675,000	4,400	20,100	650,500	For drinking water infrastructure improvements
415	QO8	Dakota Dunes, Community of	315,000	2,000	9,400	303,600	For a drinking water infrastructure connection project
414	QLW	Deadwood, City of	360,000	2,300	10,700	346,900	For a drinking water extension project
409	QKI	Elk Point, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
408	QKW	Groton, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
412	A2I	Huron, City of	450,000	2,900	13,400	433,700	For drinking water infrastructure improvements
416	QPG	Lead, City of	1,350,000	8,800	40,200	,301,000	For water and wastewater system improvements
411	QMW	Sisseton-Wahpeton Sioux Tribe, Agency Village	900,000	5,900	26,800	867,300	For the expansion of the Brown Marshall Day Water System
<u>Utah</u>							
437	QLH	Blanding	675,000	4,400	20,100	650,500	For water infrastructure improvements
436	QOR	Monticello	2,250,000	14,600	67,100	2,168,300	For a primary water supply pipeline
431	QP8	Park City	450,000	2,900	13,400	433,700	For water infrastructure improvements at the Park City Judge Tunnel Water Treatment Plant
434	QNO	St. George, City of	225,000	1,500	6,700	216,800	For water and sewer line extensions
302	QHD	Sandy City	225,000	1,500	6,700	216,800	For water and stormwater infrastructure improvements
435	QPY	South Salt Lake, City of	225,000	1,500	6,700	216,800	For water infrastructure improvements
432	QHA	Tooele City	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements
26		Region 8 Totals	20,070,000		597,700	19,341,500	
<u>Region 9</u>							
<u>Arizona</u>							
53	QRM	Goodyear, City of	225,000	1,500	6,700	216,800	For water infrastructure improvements
52	QOZ	Huachuca City	900,000	5,900	26,800	867,300	For its effluent recharge project
54	QT1	Litchfield Park Sevice Company	450,000	2,900	13,400	433,700	For construction of the Litchfield Park arsenic treatment facility
50	QQ1	Safford, City of	1,350,000	8,800	40,200	1,301,000	For wastewater treatment plant construction
51	QK8	Scottsdale, City of	450,000	2,900	13,400	433,700	For the Scottsdale Arsenic Removal pilot project
<u>California</u>							
78	QH5	Apple Valley	90,000	600	2,700	86,700	For planning and design of a sewage treatment and water reclamation facility
62	AVN	Arcadia and Sierra Madre, Cities of	1,350,000	8,800	40,200	1,301,000	For water infrastructure improvements
79	QJS	Basin Water	45,000	300	1,300	43,400	To conduct a national demonstration project for Highly Efficient/Minimum Waste Ion Exchange Treatment of Potable Water Supplies in Southern California

SPECIAL WATER AND WASTEWATER INFRASTRUCTURE PROJECTS (STAG ACCOUNT)
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Line Item #	Budget Code	Earmark Designation	Earmark Amount	Rescission Amount	3% Set-Aside	Calculated Grant Amount	Description
83	QIA	Brea, City of	225,000	1,500	6,700	216,800	For wastewater and stormwater infrastructure improvements
71	QSQ	Brisbane, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
82	QTM	Chino Hills, City of	225,000	1,500	6,700	216,800	For stormwater infrastructure improvements for the intersection of Eucalyptus and Peyton Drive
81	QH7	Compton, City of	675,000	4,400	20,100	650,500	For water infrastructure improvements
94	QSL	Cudahy, City of	225,000	1,500	6,700	216,800	For wastewater and sewer infrastructure improvements
67	QQQ	El Segundo, City of	315,000	2,000	9,400	303,600	For sanitary sewer overflow infrastructure improvements
98	QIZ	Eureka, City of	450,000	2,900	13,400	433,700	For the Martin Slough Interceptor project
89	QHP	Garden Grove, City of	225,000	1,500	6,700	216,800	For stormwater infrastructure improvements
90	QAK	Glendale, City of	450,000	2,900	13,400	433,700	Working in conjunction with the Utah State University in Logan, UT, the University of Colorado in Boulder, and UCLA for a research study and pilot treatment plant focused on the removal of chromium 6 from drinking water
77	QHY	Hesperia, City of	90,000	600	2,700	86,700	For the development of a water master plan to serve the water infrastructure needs of the City
88	AWO	Huntington Beach, City of	900,000	5,900	26,800	867,300	For stormwater and sanitary sewer infrastructure improvements
75	AU4	Inyo County	90,000	600	2,700	86,700	For the Lower Owens River Project
58	QT8	Irvine Ranch Water District	630,000	4,100	18,800	607,100	For improvement of the San Diego Creek Watershed Natural Treatment System
59	QIB	Laguna Beach, City of	630,000	4,100	18,800	607,100	For wastewater infrastructure improvements
99	QHN	Lake County	450,000	2,900	13,400	433,700	For the Clear Lake Basin 2000 project
69	QMV	Los Angeles County	450,000	2,900	13,400	433,700	For stormwater pollution mitigation improvements and infrastructure
87	QI3	Madera County Resource Management Agency	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements in Oakhurst
93	QMK	Marin County	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements for Tomales Bay
95	QLP	Maywood, City of	225,000	1,500	6,700	216,800	For wastewater and sewer infrastructure improvements
63	QHK	Metropolitan Water District of Southern California	450,000	2,900	13,400	433,700	For the Desalination Research and Innovation Partnership
55	A3I	Mission Springs Water District	675,000	4,400	20,100	650,500	For groundwater protection and water infrastructure improvements
72	QP7	Mojave Water Agency	90,000	600	2,700	86,700	For the Mojave Desert Arsenic Demonstration Project
56	A3P	Murrieta, City of	675,000	4,400	20,100	650,500	For wastewater infrastructure improvements
57	QR5	Newport Beach, City of	900,000	5,900	26,800	867,300	For the Big Canyon Reservoir Cover Project
84	QMH	Norwalk, City of	225,000	1,500	6,700	216,800	For drinking water infrastructure construction and improvements for the Norwalk Reservoir Project
70	QSY	Oceanside, City of	247,500	1,600	7,400	238,500	For infrastructure improvements to the Mission San Luis Rey Waterline
60	ATH	Olivenhain Municipal Water District, Encinitas	1,710,000	11,100	51,000	1,647,900	For water infrastructure improvements
61	AQ6	Placer Nevada Wastewater Authority	1,800,000	11,700	53,600	1,734,700	For wastewater infrastructure improvements in Placer County, CA
68	QHO	Redding, City of	450,000	2,900	13,400	433,700	For water and wastewater infrastructure improvements for the Redding Stillwater Industrial Park

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86	QR9	Ripon, City of	450,000	2,900	13,400	433,700	For water infrastructure improvements to assist in the removal of arsenic from drinking water
80	QQ5	Sacramento, City of	900,000	5,900	26,800	867,300	For the Combined Sewer System Improvement and Rehabilitation project
85	QLF	San Francisco, City and County of	900,000	5,900	26,800	867,300	For water and wastewater infrastructure improvements for the Hunters Point Naval Shipyard
92	QON	Sonoma County	225,000	1,500	6,700	216,800	For wastewater infrastructure improvements for the Canon Manor community
96	QHR	Tuolumne Utility District	405,000	2,600	12,100	390,300	For the canal optimization study
73	AN9	Twentynine Palms	270,000	1,800	8,000	260,200	For the continuation of water infrastructure improvements
65	QOI	United Water Conservation District of Ventura County	450,000	2,900	13,400	433,700	For the Oxnard Plain Groundwater Recharge project
64	ANJ	Ventura County	540,000	3,500	16,100	520,400	For water and wastewater infrastructure improvements related to the completion and implementation of the Calleguas Creek Watershed Management Plan
66	QHV	Ventura, County of	225,000	1,500	6,700	216,800	For wastewater infrastructure needs for El Rio
97	QQ8	Whittier, City of	450,000	2,900	13,400	433,700	For water and sewer infrastructure improvements
91	QI6	Willits, City of	315,000	2,000	9,400	303,600	For wastewater infrastructure improvements and wetlands mitigation
76	AU4	Yucaipa Valley Water District, Yucaipa	90,000	600	2,700	86,700	For the continuation of water infrastructure improvements
74	AN9	Yucca Valley	225,000	,500	6,700	216,800	For the Warren Valley Basin Recharge/Reuse project
<u>Guam</u>							
138	QHW	Guam	450,000	2,900	13,400	433,700	To continue the Ground Water Chlorination System Replacement and Upgrade Project
<u>Hawaii</u>							
139	QUI	State of Hawaii Health Department	495,000	3,200	14,800	477,000	For cesspool system replacement
140	QK3	Honolulu, City and County of	450,000	2,900	13,400	433,700	For wastewater treatment technologies
<u>Nevada</u>							
317	QNS	Carson Water Subconservancy District	990,000	6,400	29,500	954,100	For final design and construction of a conveyance-tunnel system to transport water from Marlette Lake to the Hobart Drainage for treatment at Carson City
318	QO6	Las Vegas, City of	270,000	1,800	8,000	260,200	For the sewer replacement project
315	QTN	Virgin Valley Water District	630,000	4,100	18,800	607,100	For construction of arsenic treatment facilities for the cities of Mesquite and Bunkerville
316	QOW	Washoe County	796,500	5,200	23,700	767,600	For the Spanish Valley Nitrate Remediation Pilot Program
57		Region 9 Totals	28,854,000		859,600	27,806,500	

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Region 10							
<u>Alaska</u>							
5	QRD	Anchorage Water and Wastewater Utility	1,080,000	7,000	32,200	1,040,800	For the development of a water and sewer facility in Anchorage
3	QRW	Fairbanks City	900,000	5,900	26,800	867,300	For sewer and storm drain connection
4	QKN	Kodiak	450,000	2,900	13,400	433,700	For water and sewer upgrades
1	QSA	Palmer	1,620,000	10,500	48,300	1,561,200	For a water main
6	QIQ	Wasilla	900,000	5,900	26,800	867,300	For water and sewer improvements
2	QOF	Wrangell	450,000	2,900	13,400	433,700	For sewer expansion
<u>Idaho</u>							
148	QIE	Bancroft, City of	675,000	4,400	20,100	650,500	For water system upgrades
145	QIM	Bayview Water and Sewer District	225,000	1,500	6,700	216,800	For the Cape Horn Area Clean Water Compliance Project
149	A2S	Burley, City of	900,000	5,900	26,800	867,300	For improvements to the wastewater treatment system
146	QM7	Coolin Sewer District	900,000	5,900	26,800	867,300	For a wastewater facility upgrade project
147	QII	Filer, City of	225,000	1,500	6,700	216,800	For a new drinking water system
<u>Oregon</u>							
369	QPX	Albany, City of	450,000	2,900	13,400	433,700	For the Albany-Millersburg Joint Water project
375	QPH	Gold Hill	540,000	3,500	16,100	520,400	For a water intake relocation project
373	QOK	Hood River, City of	495,000	3,200	14,800	477,000	For drinking water infrastructure improvements
371	QL7	La Pine	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
374	QIV	Metropolitan Wastewater Management Commission, Eugene and Springfield	225,000	1,500	6,700	216,800	For drinking and wastewater improvements
372	QKK	North Plains, City of	270,000	1,800	8,000	260,200	For water infrastructure improvements
368	QIW	Portland, City of	450,000	2,900	13,400	433,700	For its wet weather pollution control program
370	QM1	Tillamook County	270,000	1,800	8,000	260,200	For wastewater infrastructure improvements including construction of an animal waste composting facility
<u>Washington</u>							
465	QU2	Blaine, City of	225,000	1,500	6,700	216,800	For completion of a feasibility study for the Northwest Whatcom County Wastewater Management Plan, Lummis Diversion, and for related updates of the City's general sewer plan
468	QIL	Klickitat, Town of	1,485,000	9,700	44,300	1,431,100	To construct a new wastewater treatment facility
466	A6X	Mason County Public Utility District	693,000	4,500	20,700	667,800	To construct a wastewater and collection facility in Hoodspout
463	QJD	Parker	450,000	2,900	13,400	433,700	For water infrastructure improvements
469	QKA	Richland, City of	522,000	3,400	15,600	503,000	For wastewater infrastructure improvements
464	QS6	Roslyn, City of	450,000	2,900	13,400	433,700	For wastewater infrastructure improvements
461	QLL	Shelton, City of	810,000	5,300	24,100	780,600	For water and wastewater infrastructure improvements
462	QOB	South Prairie, Town of	99,000	600	3,000	95,400	For wastewater infrastructure improvements
467	QIS	Wahkiakum County Public Utility District	225,000	1,500	6,700	216,800	For the Puget Island Drinking Water Project
28		Region 10 Total	16,434,000		489,700	15,837,300	

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		Headquarters					
None		Lowndes County, AL	575,000	3,700	17,100	554,200	For alternative decentralized wastewater treatment facilities
None		Uppder Patuxent River Watershed, MD	1,000,000	6,500	29,800	963,700	For alternative decentralized wastewater treatment facilities
None		West Philadelphia and Rodale Institute Farm, PA	,700,000	11,100	50,700	1,638,200	For alternative decentralized wastewater treatment facilities
None		Upper Rio Grande Valley Colonias, TX	900,000	5,900	26,800	867,300	For alternative decentralized wastewater treatment facilities
None		Chittenden County, VT Integrated Water Resource Project	3,050,000	19,800	90,900	2,939,300	For alternative decentralized wastewater treatment facilities
None		Mud River Watershed, Lincoln County, WV	1,000,000	6,500	29,800	963,700	For alternative decentralized wastewater treatment facilities
6		Headquarters Totals	8,225,000		245,100	7,926,400	
494		National Totals	328,512,000		9,518,900	316,856,400	
		Grant Programs					
337	QBO	Long Island Sound	3,600,000	23,400	107,300	3,469,300	For water quality infrastructure improvements
1		Grant Program Totals	3,600,000		107,300	3,469,300	

GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS

1-102. Grants and Cooperative Agreements for Water Infrastructure Projects or Other Water Resource Projects from Funds Appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account

1. **AUTHORITY.** To approve and administer grants and cooperative agreements for water infrastructure projects or other water resource projects from funds appropriated for the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account or any successor accounts, including a project authorized by Section 510 of the Water Quality Act of 1987, P.L. 100-4, 101 Stat. 7,80, EPA's FY 1991 Appropriations Act (P.L. 101-507), and any subsequent public law; and to perform other activities necessary for the effective administration of those grants and cooperative agreements.
2. **TO WHOM DELEGATED.** The Assistant Administrator for Water and Regional Administrators.
3. **REDELEGATION AUTHORITY.**
 - a. The authority granted to the Regional Administrator may be redelegated to the Division Director level, or equivalent, and no further.
 - b. The authority granted to the Assistant Administrator for Water may be redelegated to the Office Director level, or equivalent, and no further.
4. **LIMITATIONS.**
 - a. Except as provided in c. below, this delegation applies only to those grants and cooperative agreements for which authority is provided exclusively in a statute other than the Clean Water Act or the Safe Drinking Water Act (e.g., a statute making appropriations to the State and Tribal Assistance Grant Account or the Environmental Programs and Management Account or any successor accounts).
 - b. Awards are subject to guidance issued by the Office of the Comptroller or by the Office of Water or its Component Offices.
 - c. This delegation also applies to grants and cooperative agreements for projects described in, and pursuant to the 1987 Water Quality Act Section 510, as amended by EPA's 1991 Appropriations Act (P.L. 101-507), as amended.

5. ADDITIONAL REFERENCES

- a. Authority to execute (sign) these financial assistance agreements is delegated to the Regional Administrators under Delegation 1-14, Assistance Agreements;
- b. 40 CFR Part 31;
- c. 40 CFR Part 40 for Demonstration grants;
- d. 40 CFR Part 35, Subpart K; and
- e. EPA Assistance Administration Manual.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 16 2001

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

MEMORANDUM

SUBJECT: Class Deviation from the Provisions of 40 CFR 35.3125(b)(1)

FROM: Marty Monell, Director
Grants Administration Division (3903R)

TO: Richard Kuhlman, Director
Municipal Support Division (4204M)

SUMMARY

I am approving a class deviation from the provisions of 40 CFR 35.3125(b)(1) for the Clean Water State Revolving Fund (CWSRF) program. My approval will allow States to use non-Federal, non-State match CWSRF funds to provide loans that can be used to satisfy the local matching requirement for most EPA grant funded treatment works projects, including special Appropriations Act projects. The prohibition on the use of CWSRF loans as the match for Title II construction grant projects will continue.

BACKGROUND

This class deviation concerns the use of Clean Water State Revolving Fund (CWSRF) loans as the match for EPA grant funded treatment works projects. In 1990, EPA issued regulations implementing the CWSRF program authorized by Title VI of the Clean Water Act (CWA) Amendments of 1987. The regulations at 40 CFR 35.3125(b)(1) contain a requirement based on CWA section 603(h), which prohibits the use of CWSRF loans as the non-Federal share of the costs of a treatment works project for which a recipient is receiving assistance from the Agency under any authority.

In issuing its regulations at 40 CFR 35.3125(b)(1), EPA interpreted section 603(h) broadly and applied the restriction to all EPA grant funded treatment works projects. At that time, EPA believed that replacing the CWA Title II construction grants program with the CWSRF program would significantly decrease Federal grant funds for treatment works projects. However, since fiscal year (FY) 1992, Congress has authorized and appropriated more than \$3.5 billion in grant funds for more than 700 infrastructure projects in the State and Tribal Assistance

Grants (STAG) account of the various Appropriations Acts. Consistent with legislative history, EPA has generally required these grant recipients to provide a 45 percent match for the special Appropriations Act projects.

Over the last several years, the Agency has been asked by a number of States to reexamine section 603(h) of the Clean Water Act and reevaluate the prohibition of using a loan from a CWSRF program as the match for EPA grant funded treatment works projects, especially special Appropriations Act projects. In response to these requests, the Agency reviewed the legislative history and facts associated with section 603(h) and concluded that the initial reading of section 603(h) was unnecessarily broad, and the intent of Congress was to prohibit the use of CWSRF loans as the match for Title II construction grants only. Accordingly, the Agency has initiated action to revise the regulation at 40 CFR 35.3125(b)(1). Since this change may take a considerable period of time to finalize, this class deviation will avoid the need to process individual requests for a deviation from 40 CFR 35.3125(b)(1) during this interim period.

ACTION

Under the authority of 40 CFR § 31.6(d), I am approving a class deviation from 40 CFR 35.3125(b)(1). This class deviation will allow the non-Federal, non-State match CWSRF funds to be used to provide loans that can be used as the match for all EPA grant funded treatment works projects, except construction grant projects authorized by section 201 of the Clean Water Act.

As a general rule, funds received under one Federal grant may not be used for the matching share required by another Federal grant, unless the statute specifically authorizes it. However, Title VI of the Clean Water Act, which is the authorizing authority for the CWSRF program, does not contain such language. Accordingly, the EPA capitalization grant funds that are provided for the CWSRF program cannot be used to provide loans for EPA grant funded treatment works projects, if the loan funds are to be used to satisfy the local share matching requirement for these projects. Similarly, the statutory mandated 20 percent State contribution to the CWSRF (i.e., the State match) cannot be used to provide loans for EPA grant funded treatment works projects, if these loans are to be used as the local match, as this action would result in the same funds being used to match two separate programs.

For the reason listed above, this class deviation only allows the non-Federal, non-State CWSRF funds to be used to provide loans for EPA grant funded treatment works projects, other than construction grant projects, if the loan funds are to be used to satisfy the local share matching requirement for these projects. Non-Federal, non-State match funds include repayments, interest earnings, bond proceeds and other State contributions.

The use of a loan from the CWSRF to provide part or all of the match for EPA grant funded treatment works projects is a State CWSRF program agency decision. However, the action must be consistent with established State policy, guidelines and procedures governing the use of CWSRF loans. Projects that receive assistance must also adhere to Federal CWSRF

program requirements relating to eligibility and prioritization within an Intended Use Plan (i.e., included on a project priority list that has been subject to public review).

There is no implementation date for this class deviation. This change can be applied to any EPA grant funded treatment works project, other than a construction grant project, regardless of the date of grant award, or the date that the funds were appropriated for the project. The application of the provisions of this class deviation is at the discretion of the State agencies responsible for issuing CWSRF loans.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT

OFFICE OF
WATER

DWSRF 02-01

MEMORANDUM

SUBJECT: Change in Agency Policy Concerning the Use of a Loan from a Drinking Water State Revolving Fund (DWSRF) as Part of the Local Match for EPA Appropriations Act Projects

FROM: Cynthia C. Dougherty, Director
Office of Ground Water and Drinking Water (OGWDW)

Michael B. Cook, Director
Office of Wastewater Management (OWM)

TO: Water Program Managers
Regions I - X

This purpose of this memorandum is to notify regions and states of a change in policy regarding the use of state Drinking Water State Revolving Fund (DWSRF) monies for providing local match for special projects authorized by Appropriations Acts. These special appropriation projects (SAPs) are funded from the Environmental Protection Agency's (EPA) State and Tribal Assistance Grant account. **This policy will allow state DWSRF programs to use the non-federal and non-state match share of DWSRF funds for match on these projects.** The Office of General Counsel (OGC) has indicated this interpretation is consistent with the Safe Drinking Water Act (SDWA) and our implementing regulations.

Because this memorandum modifies previous guidance issued on SAPs by the Office of Wastewater Management (OWM), it should be viewed as supplemental guidance to the February 21, 2001, memorandum signed by Michael B. Cook on the *Award of Grants and Cooperative Agreements for the Special Projects and Programs Authorized by the Agency's FY 2001 Appropriations Act and the FY 2001 Consolidated Appropriations Act* (see attached). However, the policy will apply to all new awards for eligible drinking water projects funded through Appropriations Acts since 1995.

BACKGROUND

The Agency manages two separate State Revolving Fund (SRF) loan programs, the Clean Water State Revolving Fund (CWSRF) and the DWSRF loan programs. Although the two programs were authorized by different statutes, many aspects of the two programs are similar. One of the similarities was a prohibition on using a loan from either SRF program as all or part of the 45 percent local match for special projects authorized by Appropriations Acts.

Implementing regulations for the CWSRF program include a requirement based on Section 603(h) of the Clean Water Act (CWA) which precludes the use of a loan from a CWSRF for providing all or part of the local share of EPA's grant-funded treatment works project. Consistent with the CWSRF regulations, the Agency's initial FY 1995 Guidance Memorandum concerning the award and management of the SAPs contained a provision that prohibited the use of a CWSRF loan as all or part of the 45 percent local matching requirement associated with those projects.

The SDWA, which established the DWSRF in 1996, does not have a statutory provision similar to Section 603(h) of the CWA. Additionally, DWSRF regulations do not specifically address the issue of using a loan from a DWSRF as a match for EPA grant-funded projects. However, the FY 1998 and subsequent Guidance Memorandums on how the Agency will award and administer the special projects authorized by Appropriations Acts included a provision prohibiting the use of DWSRF loans as a match for the special projects. The reason for establishing such a requirement was to provide consistency between the two SRF programs. However, the DWSRF prohibition was based on policy and not regulation.

RATIONALE FOR CHANGE TO DWSRF POLICY

Over the last several years, the Agency has been asked by a number of states to reconsider the prohibition against using loans from the two SRF programs as the match for the SAPs. States indicated that allowing DWSRF low interest loans would allow special projects for small, disadvantaged or financially depressed communities to proceed without overly stressing the resources of the community. Since DWSRF loans are restricted to projects that address present or prevent future violations of health-based standards (40 CFR 35.3520), the special projects that are coupled with a DWSRF loan would be restricted to projects with that purpose. The ultimate goal is to have DWSRF loans and SAP grants complement each other and provide for better projects and more efficient management of both the loan and grant programs.

Since the prohibition of using a DWSRF loan as a match for the SAPs is based on policy, this prohibition can be removed by revising the Agency's Guidance Memorandum that includes this restriction. This memorandum will supercede the information included in the Agency's Guidance Memorandums with respect to this issue. The Agency has also initiated efforts to revise the regulation that prohibits the use of non-federal CWSRF funds as the match for EPA grant-funded projects, other than Title II construction grant projects. In the interim, a class deviation issued on August 16, 2001, will allow states to use non-federal, non-state CWSRF funds to provide loans that can be used to satisfy the local matching requirement for most EPA grant funded treatment works projects, including SAPs.

POLICY

The Office of Management and Budget's (OMB) grants management common rule is reflected in specific regulations codified by individual federal agencies. EPA's codification of the OMB common rule can be found at 40 CFR Part 31, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." EPA's regulations indicate that funds received under one federal grant may not be used for the matching share required by another federal grant, unless provided for through federal statute [40 CFR 31.24(b)(1)]. The regulations also indicate that contributions that count towards satisfying the matching requirements of one federal grant may not be counted towards the matching requirements of other awards of federal funds [40 CFR 31.24(b)(3)].

Accordingly, this policy allowing the use of DWSRF funds to provide match on SAPs is limited to non-federal and non-state match funds within the program. Non-federal funds include repayments, earnings, bond proceeds and other state contributions (beyond the required 20 percent DWSRF state match).

The use of a loan from the DWSRF to provide part or all of the match for the SAPs is at the discretion of the state agency. However, the action must be consistent with established state policy, guidelines and procedures governing the use of DWSRF loans. Projects that receive assistance must also adhere to federal DWSRF program requirements relating to eligibility and prioritization within an Intended Use Plan (i.e., included on a fundable list that has been subject to public review).

The Office of Groundwater and Drinking Water (OGWDW) has made the determination that DWSRF funds used to provide the local match for SAPs cannot carry negative interest rates or take the form of principal forgiveness. Allowing states to provide "grants" using disadvantaged assistance through the DWSRF program would allow recipients to circumvent procedures currently in place to manage SAP grants. OWM has procedures in place to waive local match requirements for projects funded through special appropriations in order to address financial hardship.

Although SAPs that are co-funded with DWSRF monies can be managed by state DWSRF programs, they are still subject to other requirements (e.g., environmental review) included in the Agency's Guidance Memorandum for such projects.

If you have any questions related to this policy, the DWSRF or CWSRF programs, you may contact William Diamond, Director, Drinking Water Protection Division (OGWDW), or Richard Kuhlman, Director, Municipal Support Division (OWM), respectively.

Attachment

cc: Regional Coordinators for the DWSRF Programs and Special Appropriations Projects
Ken Redden, OGC
Howard Corcoran, OGD
Regional Grants Division Directors

CROSS-CUTTING FEDERAL AUTHORITIES

Environmental Authorities

- o Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- o Clean Air Act, Pub. L. 84-159, as amended
- o Coastal Barrier Resources Act, Pub. L. 97-348
- o Coastal Zone Management Act, Pub. L. 92-583, as amended
- o Endangered Species Act, Pub. L. 93-205, as amended
- o Floodplain Management, Executive Order 11988, as amended by Executive Order 12148
- o Protection of Wetlands, Executive Order 11990
- o Farmland Protection Policy Act, Pub. L. 97-98
- o Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- o National Historic Preservation Act of 1966, PL 89-665, as amended
- o Safe Drinking Water Act, Pub. L. 93-523, as amended
- o Wild and Scenic Rivers Act, Pub. L. 90-542, as amended

Economic and Miscellaneous Authorities

- o Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372
- o Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.
- o Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended

- o Debarment and Suspension, Executive Order 12549
- o New Restrictions on Lobbying, Section 319 of Pub. L. 101-121

Social Policy Authorities

- o Age Discrimination Act of 1975, Pub. L. 94-135
- o Title VI of the Civil Rights Act of 1964, Pub. L. 88-352
- o Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250)
- o The Drug-Free Workplace Act of 1988, Pub. L. 100-690
- o Equal Employment Opportunity, Executive Order 11246
- o Women's and Minority Business Enterprise, Executive Orders 11625, 12138 and 12432
- o Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 20 1995

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

MEMORANDUM

SUBJECT: NEPA Guidance for Special Wastewater Treatment Projects
in the FY95 Appropriation Bill

FROM: Richard E. Sanderson *Richard E. Sanderson*
Director
Office of Federal Activities (2252)

TO: NEPA Coordinators

The purpose of this memorandum is to provide guidance on the requirements for compliance with the National Environmental Policy Act (NEPA) for special projects authorized for EPA grant funding by the FY95 Appropriations Act (Act). The Act appropriated "no-year" money to fund special wastewater treatment projects identified by Congress. Each region has projects on this list. The list is included in the attached copy of the guidance memorandum prepared by the Office of Water Management (OWM).

The OWM memorandum indicates that NEPA applies to all of these projects except the three to be funded as Clean Water Act (CWA) section 104(b)(3) demonstration projects. These three are exempted from NEPA under the CWA section 511(c). The Office of General Counsel (OGC) has prepared an "Analysis of NEPA applicability to special grants authorized by FY 1995 Appropriations Act." This analysis is also attached.

OFA Guidance to Regional NEPA Coordinators

An independent EPA NEPA analysis for the non-demonstration projects is required. In addition, other cross-cutting federal statutes, such as the Endangered Species Act and the National Historic Preservation Act, also apply to these projects. The Council on Environmental Quality's (CEQ) NEPA regulations do not allow EPA to adopt a state analysis. However, the NEPA regulations do require agencies to "cooperate with State and local agencies to the fullest extent possible to reduce



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duplication between NEPA and State and local requirements ..." (40 CFR 1506.2). There are several ways the regions can use the existing information and assessments for these projects as summarized below and as discussed in greater detail in the attached OGC analysis. In all cases, EPA must independently evaluate the state documentation and review process and is responsible for the accuracy of the NEPA documentation and the adequacy of the process (40 CFR 1506.5).

- Where states have performed environmental reviews under NEPA-like statutes or pursuant to State Revolving Fund regulations, EPA can incorporate, but not simply adopt, the state analysis into the Agency's NEPA analysis.
- Where state reviews have found no significant impacts and EPA approves of that finding and the state process, EPA may issue an environmental assessment (EA) summarizing and referencing the state analysis and an accompanying Finding of No Significant Impact (FONSI).
- Where state reviews have found significant impacts or EPA independently determines that there are significant impacts, EPA must issue a notice of intent and proceed with an environmental impact statement (EIS) and record of decision (ROD) in accordance with the Agency's regulations at 40 CFR Part 6.
- Where construction of projects is complete or nearly completed, a NEPA analysis will not have to be done.
- Where construction has started and the project is not nearly completed, a NEPA analysis is required and a notification of intent to pursue an independent analysis must be sent to the grantee.
- Where projects to be funded have been ongoing for several years, additional assessment may not be required if prior federal NEPA documentation has addressed the portions of the project to be funded by the FY95 grant. The region will need to assure that since the previous assessment: 1) there are no substantial changes in the proposed action relevant to environmental concerns, or 2) there are no significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts.

If the NEPA analysis was carried out under an earlier construction grant action and is no longer adequate or the project has not previously been assessed by EPA, it will be necessary to issue either an EA/FONSI or an EIS/ROD. The regulations applicable to these special project grants are the CEQ regulations (40 CFR Parts 1500-1508) and EPA's NEPA regulations (40 CFR Part 6, Subparts A-D). EPA's regulations at 40 CFR Part 6, Subpart E, while they do not apply to these special project grants, may provide additional guidance.

We anticipate that additional issues or sub-issues may arise which are not fully treated in this general guidance memorandum. These should be brought to our attention as soon as possible. In addition, we have scheduled a teleconference on Tuesday, January 24, 1995 from 11:00 a.m. to 12:00 noon eastern standard time to discuss this guidance and additional issues or concerns with the process. The call in number is (202) 260-4257. We look forward to your participation. Please inform John Gerba (202/260-5910) if you or your staff will not be on the call.

Attachments

cc: Jim Havard, OGC
Ed Gross, OWM



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 29 2003

MEMORANDUM

SUBJECT: Conditioning Grants for Water Infrastructure Projects Prior to NEPA Reviews

FROM: Anne Norton Miller, Director *[Signature]*
Office of Federal Activities

James A. Hanlon, Director *[Signature]*
Office of Wastewater Management

TO: EPA NEPA Compliance Coordinators, Regions I - X
Water Division Directors, Regions I - X

The purpose of this memorandum is to alert you to the outcome of a recent court case that will affect how you manage grants for the special projects awarded under the authority of the Agency's Appropriations Acts.

In the January 20, 1995 memorandum, "NEPA Guidance for Special Wastewater Projects in the FY 1995 Appropriation Bill," Richard E. Sanderson provided guidance on how EPA would comply with the National Environmental Policy Act (NEPA) for the special water infrastructure projects authorized in the Agency's FY 1995 Appropriations Act. With Congress providing funding in the State and Tribal Assistance Grants (STAG) account of the Agency's Appropriations Acts annually since FY 1995, this guidance continues to be the primary source of policy direction for NEPA compliance for all of the special projects, including drinking water, stormwater and groundwater protection infrastructure projects.

Following the issuance of the 1995 memorandum, the Office of Federal Activities (OFA) determined that Regions could award grants for special Appropriations Act projects before completing a NEPA review if the grant award contained a condition stating that EPA would not fund any work beyond the conceptual design point until completion of the applicable requirements of NEPA and other cross-cutting statutes such as the Endangered Species Act. This guidance has been memorialized in the "STAG Guidelines" issued annually by the Office of Wastewater Management (OWM). We have developed the attached model grant condition (with optional language depending on the situation of a specific grant) that can be used to set out the specific restrictions the grantee would agree to when EPA awards a grant that includes activity beyond conceptual design before the NEPA review is completed.

In a recent court case, CARE v. EPA, No. 03-0417 (D.D.C. April 15, 2003) involving a NEPA challenge to a local sewer project to be funded in part by an EPA grant, the court suggested that if EPA had awarded the special Appropriations Act grant prior to completing the NEPA review, the entire project, even the part being constructed with local funds, might have been considered a Federal project and subject to the NEPA requirements. This could have resulted in the court enjoining the entire project pending completion of the NEPA review. This court case raises the risk that projects could successfully be challenged under NEPA when EPA awards grants that include a grant condition stating that EPA will not fund any work beyond the conceptual design point until the NEPA process is completed. Accordingly, we recommend that you inform grantees of this potential issue if a conditioned grant is being considered.

Under the STAG Guidelines Regions may make separate planning grants to special Appropriations Act project recipients. The courts consistently have held that Federal actions that involve only planning activities are not subject to NEPA. Although awarding two separate grants (one for planning activities and one for all other activities) involves more paperwork, we recommend that the Regions consider using this approach.

The Office of General Counsel (OGC) has concurred in this memorandum. If you have any questions concerning the contents of this memorandum, you may contact us, or have your staff contact Joe Montgomery (202-564-7157) in OFA, Marilyn Kuray (202-564-3449) in OGC, or Larry McGee (202-564-0619) in OWM.

Attachment

cc: Richard Kuhlman

MODEL GRANT CONDITIONS

To Be Included in STAG Grants Awarded Before Completion of Environmental Review under the National Environmental Policy Act

Instructions for Project Officers:

For projects that have not progressed beyond conceptual design¹ prior to grant award, include the introductory paragraphs and, as appropriate, the two paragraphs labeled "Option 1."

For projects that have started detailed design or construction prior to the start of the fiscal year for which the funds were appropriated, include the introductory paragraphs and the paragraph labeled "Option 2."

For projects that started detailed design or construction after the start of the fiscal year for which the funds were appropriated but before completion of the environmental review process, the Region should either:

Award an incremental grant that only includes planning activities. A grant for the remainder of the project would be awarded after the NEPA requirements and other relevant authorities have been met, or;

Wait and award a grant for all of the project after the NEPA requirements and other relevant authorities have been met.

NEPA Compliance:

In accordance with the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 et seq., EPA is required to conduct an environmental review on the project funded by this grant. Accordingly:

The recipient agrees to provide EPA, in a timely fashion, an environmental information document (EID) containing all the necessary information on the project including a written analysis of the alternatives and the environmental impacts of the project. The EID must be of sufficient scope and detail to enable EPA to perform an environmental review under NEPA and other Federal environmental statutes.

¹ Conceptual design is essentially the same as facility planning as defined in EPA's Construction Grants program.

Option 1: (To be used for projects that have not progressed beyond conceptual design prior to grant award)

The recipient agrees not to take any action on the project beyond conceptual design, including but not limited to, beginning the preparation of plans and specifications, purchasing land, advertising or awarding design and/or construction contracts, initiating construction or requesting reimbursement from EPA for costs associated with such actions until such time as EPA has completed its environmental review in accordance with NEPA and 40 C.F.R. Parts 6 and 1500 et seq. Completion of this review will be evidenced by the issuance of a Categorical Exclusion (CE), the conclusion of the Finding of No Significant Impact (FONSI) process, or the issuance of a Record of Decision (ROD).

The recipient agrees that, upon completion of the NEPA review, design and construction shall be undertaken in accordance with the results of that review, including but not limited to, the implementation of measures EPA identifies as reasonable to mitigate the environmental impacts of the project. EPA reserves the right to unilaterally terminate this grant in the event the recipient fails to comply with this condition, in accordance with 40 C.F.R. Section 31.43.

Option 2: (To be used for projects that have started detailed design or construction prior to the start of the fiscal year for which the funds were appropriated)

The recipient agrees to cooperate with the EPA project officer to establish the appropriate procedures to be followed to ensure that the NEPA environmental review process is completed in accordance with NEPA and 40 C.F.R. Parts 6 and 1500 et seq. Completion of this review will be evidenced by the issuance of a Categorical Exclusion (CE), the conclusion of the Finding of No Significant Impact (FONSI) process, or the issuance of a Record of Decision (ROD). Furthermore, the recipient agrees to implement reasonable measures to mitigate the environmental impacts of the project.

EPA will not approve or fund any work beyond the conceptual design point until the NEPA requirements and other relevant authorities have been met. Additionally, EPA reserves the right to unilaterally terminate this grant in the event the recipient fails to comply with this condition, in accordance with 40 C.F.R. Section 31.43.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 3 1995

OFFICE OF
WATER

MEMORANDUM

SUBJECT: Applicability of 40 CFR Part 29 to the Special
Projects Authorized by the FY 1995 Appropriations Act

FROM: *Michael J. Quigley*
Michael J. Quigley, Director
Municipal Support Division

TO: Municipal Construction Program Managers
Region I - X

We have been informed by the Office of General Counsel that 40 CFR Part 29 (Intergovernmental Review of EPA Programs and Activities) is applicable to the special projects authorized by the FY 1995 Appropriations Act.

The regulatory provision that will have the greatest impact is 40 CFR 29.8(c) which states that:

Applicants for programs and activities subject to section 204 of the Demonstration Cities and Metropolitan Development Act shall allow areawide agencies a 60 day opportunity for review and comment.

The above requirement can be satisfied in these three ways:

- (1) is to allow the areawide agencies the full 60 day period for review and comment.
- (2) is to request an expedited review by the responsible areawide agencies.
- (3) is to obtain a waiver declining the opportunity to review from the single point of contact (SPOC) clearinghouse. If a waiver is obtained, the SPOC must have the authority to act on behalf of the areawide agencies or obtain the concurrence of the responsible areawide agencies.



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The Regions should inform the potential grant applicants that their applications must include documentation that satisfies the requirements of 40 CFR Part 29.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 12 1997

OFFICE OF
WATER

MEMORANDUM

SUBJECT: Program Requirements for Mexican Border Area Projects Funded under the Authority of this Agency's FY 1995, 1996 and 1997 Appropriations Acts

FROM: *for* Michael B. Cook, Director
Office of Wastewater Management

TO: William B. Hathaway, Director
Water Quality Protection Division
Region VI

Alexis Strauss, Acting Director
Water Management Division
Region IX

PURPOSE

The purpose of this memorandum is to establish consistent requirements for Mexican Border Area projects funded under the authority of this Agency's FY 1995, FY 1996, and FY 1997 Appropriations Acts.

BACKGROUND

Over the past three fiscal years the Office of Wastewater Management has issued the following memorandums concerning program requirements for Mexican Border Area projects:

10/20/94 - initial guidance memorandum on how the Agency will award and administer grants authorized by this Agency's FY 1995 Appropriations Act. (Did not include a separate section for Mexican Border Area projects.)

3/21/95 - a waiver to the match requirement that allowed the Region to vary the cost sharing arrangements, on a project by project basis, for facility planning and design projects funded under the authority of the FY 1995 Appropriations Act.

- 7/19/96 - guidance memorandum on how the Agency will award and administer grants authorized by this Agency's FY 1996 Appropriations Act (included a separate section for Mexican Border Area projects.)
- 9/13/96 - additional specific guidance on Mexican Border Area projects funded under the Authority of the FY 1996 Appropriations Act.
- 1/6/97 - guidance memorandum on how the Agency will award and administer grants authorized by this Agency's FY 1997 Appropriations Act (included a separate section for Mexican Border Area projects.)

The inclusion of guidance in five separate memoranda, with each memorandum covering a single fiscal year, has caused unnecessary complexity within the Mexican Border Area Program. The intent of this memorandum is to correct that problem.

GUIDANCE

Effective immediately, the attached 9/13/96 and 1/6/97 memoranda are the applicable guidance documents for new awards in the Mexican Border Area Program funded under the authority of any of the following Appropriations Acts: FY 1995, FY 1996 or FY 1997. However, the appropriate Appropriations Act must be cited as the statutory authority for awarding the grant.

I would also like to confirm the fact that the 1/6/97 memorandum allows the award of grants in the Mexican Border Area Program without any match requirement, if the circumstances warrant.

If you have any questions concerning this memorandum, you can contact me or have your staff contact Steve Allbee, Chief, Municipal Assistance Branch, Municipal Support Division, at (202) 260-5856.

Attachments



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 3 1996

OFFICE OF
WATER

MEMORANDUM

SUBJECT: Use of Title II Deobligations to Administer Construction Grant and Special
Appropriation Projects
FROM: *Michael J. Quigley*
Michael J. Quigley, Director
Municipal Support Division

TO: Water Management Division Directors
Regions I - X

I am pleased to advise you of the availability of deobligated Title II funds for State administration of construction grant and Special Appropriation projects. The Environmental Protection Agency's (EPA) FY 1997 Appropriations Act (P. L. 104-204) permits EPA to make grants to the States for the administration of completion and closeout of a State's Title II construction grants program and for Special Appropriation wastewater grant projects* funded by appropriations since FY 1991, as well as those funded by appropriations after the date of this memorandum.

The FY 1997 Appropriations Act adopted the following Conference Report item:

"Amendment No. 71: Inserts language as proposed by the Senate which permits the Administrator of EPA to make grants to States, from funds available for obligation in the State under title II of the Federal Water Pollution Control Act, as amended, for administering the completion and closeout of a State's construction grants program. The conferees agree that this provision is needed in many States due to the appropriation of over \$1,800,000,000 since 1991 for wastewater grant projects and in view of the expiration of the section 205(g) reserve for such management activities."

* Any devices and systems for the storage, treatment, recycling, and reclamation of municipal sewage, domestic sewage, or liquid industrial wastes or any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal wastewater or industrial wastewater, including waste in combined, storm water and sanitary sewer systems.

The language to which Amendment No. 71 refers is as follows:

“Provided further, That notwithstanding any other provision of law, beginning in fiscal year 1997 the Administrator may make grants to States, from funds available for obligation in the State under title II of the Federal Water Pollution Control Act, as amended, for administering the completion and closeout of the State’s construction grants program, based on a budget annually negotiated with the State.”

The following guidelines will apply to the award of Title II deobligations for the above stated purposes:

1. Beginning in fiscal year 1997 assistance may be awarded to States from any funds available for obligation in the State under Title II of the Federal Water Pollution Control Act. The first priority for the use of these funds is completion/closeout of the construction grants program.
2. Assistance will be awarded using the mechanisms and procedures employed for the award of State Management Assistance Grants under section 205(g).
3. Existing State delegation agreements may be used for State administration of construction grant projects. For Special Appropriation wastewater grant projects, you may amend the State delegation agreement or enter into a separate Memorandum of Agreement with the State.
4. Deobligated funds awarded under the provisions of the FY 1997 Appropriations Act may not be used for purposes other than those stipulated above, nor may these funds be used to free-up existing 205(g) reserves for use in non-construction grant activities that were eligible under section 205(g). However, 205(g) reserves on hand prior to October 1, 1996 may be used to administer Special Appropriation wastewater grant projects, provided sufficient 205(g) funds are retained for completion/closeout of the construction grants program.
5. While the legislation does not limit the dollar amount which may be awarded in any Fiscal Year, the award amount should reflect an annual budget negotiated with the State. Assistance may be awarded to cover only the reasonable costs of administering functions which are necessary to manage construction grant projects and Special Appropriation wastewater projects. Eligible costs incurred prior to grant award may be included in the initial award, if the funding period established in the grant includes the period for which the costs were incurred. Multi-year assistance may be awarded to take advantage

of available Title II deobligations, provided the out-year budget estimates support the award of additional funds and the State is not using these funds to finance personnel and other costs beyond those clearly justified by the remaining workload.

6. Title II deobligations continue to be covered by the August 18, 1995 class deviation which "extends the reallocation date of deobligated Title II funds reissued on or after October 1, 1990, and before October 1, 1997, until September 30, 1998. Title II deobligations reissued on or after October 1, 1997, will remain available for obligation until September 30 of the following fiscal year in accordance with 40 CFR 35.2010(d)."

Please call me if you have questions. Questions may also be referred to Arnold Speiser at 202-260-7377 or via E-Mail.

cc Municipal Construction Program Managers, Regions I-X
 Grants Administration Division